

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2015

ISSUED BY
LANCASTER COUNTY SCHOOL DISTRICT

GENE MOORE, ED.D.
SUPERINTENDENT

PREPARED BY
FINANCE DEPARTMENT

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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2015

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INTRODUCTORY SECTION

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November 17, 2015

To the Citizens of Lancaster County

Lancaster, South Carolina

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Lancaster County School District for the fiscal year ended June 30, 2015. We believe the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the school district. In addition, we believe we have included all disclosures necessary for the reader to understand the school district's financial activity.

The Report

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the school district management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Section 59-17-100 of the South Carolina Code of Laws requires an annual single audit report due by December 1st following the close of the fiscal year. The firm of McGregor & Company, LLP was selected by the Board of Trustees to perform this audit. The auditor's report on the basic financial statements is included in the Financial Section of the report. The auditor's reports related specifically to the single audit are included in the Single Audit Section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

The financial reporting entity includes all the funds of the primary government (Lancaster County School District) to include a blended component unit, Lancaster Educational Assistance Program, Inc. (LEAP). LEAP is a not-for-profit 501 (c) (3) corporation. Additionally, the Discovery School (Charter School) is considered a public school and is a part of the district for purpose of state law and state constitution and is included in the basic financial statements of the district as a discretely presented component unit. Component units are legally separate entities for which the primary government is financially accountable. Our school district is not included in any other "reporting entity" as defined by the Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity."

Profile of the School District

The school district is under the management and control of the Board of Trustees. The Board of Trustees consists of seven members, elected from single member districts for a four-year term. The Board of Trustees has decision-making authority, including the power to hire management, the ability to significantly influence operations, and the accountability for fiscal matters. The Board of Trustees appoints the superintendent. The superintendent is responsible for implementing board policies. The school district provides educational services, including child development, kindergarten, primary, secondary and adult education to those students residing within the district's jurisdiction. The school district operates ten elementary schools, five middle schools, four high schools, a child development center, and an alternative school. Average daily membership for the 2014-2015 year totaled 12,094 students.

Our district is located along the north central Piedmont section of South Carolina, approximately 21 miles south of Charlotte, North Carolina. The county is 549 square miles and includes the cities/communities of Lancaster (county seat), Indian Land, Heath Springs, Kershaw, Van Wyck, and Elgin. Charlotte looms to our north, and growth from the Queen City has poured into Lancaster County. The district is located along the north central Piedmont section of South Carolina, approximately 21 miles south of Charlotte, North Carolina, and benefits from its close proximity to Charlotte. The county's tax base is considered stable and is currently experiencing expansion of both residential and commercial growth along its northern border.

Lancaster is also home to the USC-Lancaster, one of the four regional campuses of the University of South Carolina. Since its inception in 1959, USC Lancaster has become a comprehensive learning center, offering high-quality university programs and services to approximately 1,725 full and part-time students from a service area of six counties (Lancaster, Chester, Chesterfield, Kershaw, Fairfield, and York). USC-Lancaster continues to expand and recently opened a new building of classrooms in August, 2014. Likewise,

Local Economy

Lancaster County is located along the northern border of South Carolina, approximately 21 miles south of Charlotte, North Carolina. Lancaster County's location provides access to transportation such as Charlotte-Douglas International Airport and highway corridors including I-485, I-77 and U.S. 521. As Charlotte has grown, so also has the northern "panhandle" area of the County where planned development districts account for an estimated 15,000 home permits currently permitted or under construction. The majority of these are single family homes ranging in value from \$200,000 to over \$1 million. Included in these numbers is the 1,800-acre Sun City Carolina Lakes Retirement Community which is located approximately 25 miles south of Charlotte on Highway 521 in the County.

Carolina Reserve, a new 400-home community in Indian Land, is being developed by the Lennar Group. Four distinct neighborhoods feature traditional family homes and also more compact, one-story homes with maintained yards. Amenities include a pool and a clubhouse, and 70 acres of community green space featuring Six Mile Creek and its tributaries which run through the community.

Tree Tops, a planned residential gated community is being developed in the County by Lennar Carolinas. Model home construction is expected to begin in February 2016. Lennar plans to build 775 homes ranging between the mid-\$200,000s to \$400,000. At least 50% of these homes will be age restricted and this number could be higher depending on the market.

In addition to its growth in residential properties, Lancaster County's manufacturing and retail tax base continues to expand and diversify. In 2014, approximately 1,370 jobs were created in the County and \$646.3 million in new and/or existing investments were generated through thirteen companies. The County is home to a variety of industries such as Red Ventures, Accutrex Products, Thomas & Betts, Bowers Fibers, CardinalHealth, Nutramax Labs, Proctor & Gamble-Duracell, Kennametal and Verian Technologies. International companies in Lancaster County include Gerdau Ameristeel of Brazil and Nibrol of Sweden.

The 67-acre Heath Springs Industrial Park located on US 521 in the Heath Springs and Kershaw areas of the County is attracting new business and industry to the County's southern end. The park is a Class A SC Certified Industrial Park and has rail access via the L&C Railway. In addition, improvements have been made to the 120-acre Kershaw Industrial Park on US 601 owned by the Town of Kershaw offering land at no cost to qualified companies, and all utilities available.

The Lancaster County Air-Rail Business Park is located on Highway 9 near the Lancaster County Airport. The park has access to the L&C Railway, Norfolk-Southern and CSX main lines and is less than an hour drive to the Charlotte-Douglas International Airport and downtown Charlotte, NC. All infrastructure is in place and the Fancy Pokket bakery company from New Brunswick, Canada is the first tenant.

The County's local economy is becoming more diversified, as evidenced by the following recent announcements:

Movement Mortgage, LLC broke ground in March 2015 on a new 100,000 square foot headquarters in the County. Total investment is expected to be more than \$22 million with approximately 200 jobs initially and plans to create an additional 400 jobs.

Keer America, a China-based textile company, recently constructed a 230,000 square foot facility in Lancaster County. Total investment is approximately \$218 million with 200 current employees and plans to create 500 additional jobs.

Romarco Minerals owns a gold mine in the County and has invested \$353 million in the development and construction phase of the operation. Romarco expects to hire 350 employees this year and produce the first gold by the end of 2016.

Lancaster County's unemployment rate for August 2015 was 6.50%, down from the rate one year ago of 7.8%. The state average for August 2015 was 6.00%.

Long-Term Financing

The district's major financial challenges include keeping-up with technology and construction of facilities to meet enrollment growth. The district maintains a capital improvement schedule and a technology schedule used to project major financial needs over the next five years. These schedules are the basis for budgeting to meet capital needs and for addressing future debt issuance as needed. The district has participated in several growth studies and purchased land for future school sites based on these studies.

The district issues general obligation bonds annually to meet the needs identified in the capital improvement plan above and cover the annual payments due on the districts' installment debt. Debt Service millage has been held fairly flat over the past few years even with the recent issuance of debt in 2012 for construction of a new elementary school that opened in August, 2014. The district recognized considerable savings during the 2013 year through refunding existing installment debt at reduced interest rates. The district recently issued debt to fund construction of additional classrooms to meet growth at a middle school. The district is currently working on a district-wide study of facility needs to improve existing schools and for a new high school to meet growth. Lancaster County is one of the fastest growing counties in the country for residential homes.

Major Initiatives and Accomplishments

Our school district believes that the primary responsibility of all school personnel is to the educational development of students. The budget is designed to support the efforts of students, classrooms, teachers, administrators, and staff to achieve their full potential. Federal, state, and local grants are actively sought to provide additional funding for the education of our students. Recent district, program, teacher, and student accomplishments include:

- Office of Research & Development authored \$8.67 million in grants during FY 2015
- Ninety-Eight National Board Certified Teachers across the District
- Forty-Four South Carolina Junior Scholars across the District
- S.C. Choral Festival Class A/AA First Place - Andrew Jackson High Show Choir
- 2013-14 S.C. PASS Test Perfect Score –English section
 - Aspen Goodyear, Erwin Elementary
- 2014-15 S.C. Assoc. of Conservation District Awards Committee Teacher of the Year
 - Troy Helms, Buford High
- 2014 S.C. Association of Conservation Districts Poster Contest winner
 - Ashton Oenbrink, Harrisburg Elementary
- 67th Annual North-South All-Star Game - Football
 - Jay Hood, Lancaster High
 - Shea Rodgers, Indian Land High
 - Kolby Whitley, Andrew Jackson High
- 67th Annual North-South All-Star Game Football Coach
 - David Moore, Andrew Jackson High
- 2014-15 S.C. Class AA All-State Cross Country Team
 - Austin St. John, Indian Land High
 - Kaitlyn Rodman, Indian Land High
- 2014-15 S.C. North-South All-Star Volleyball Team
 - Taylor McCowan, Andrew Jackson High
- 2014-15 S.C. North-South All-Star Volleyball Coach
 - Betsy O'Shields, Lancaster High
 - John Verdugo, Andrew Jackson High
- 2015 S.C. Middle School Academic Challenge State Champion
 - Indian Land Middle Academic Challenge Team
- 2015 S.C. Class AAA State Girls Basketball Champion
 - Lancaster High Lady Bruins
- 2014-15 S.C. Class AAA All-State Girls Basketball Team
 - Malia Rivers, Lancaster High
 - Gabby Davis, Buford High
- 2014-15 S.C. North-South All-Star Boys Basketball Coach
 - Ricardo Priester, Lancaster High
- 2014-15 S.C. Class AA All-State Boys Basketball Team
 - Darnell Rogers, Indian Land High
- 2014-15 S.C. North-South Soccer Classic All-Star Coach
 - Mark Bonda, Indian Land High

- **2014-15 Children's Trust of South Carolina *On the Safe Side* Poster Contest First Place**
 - Ethan Hendrix, Buford Middle
- **2014-15 S.C. Assoc. of School Librarians' Junior Book Award Banner Competition First Place Award**
 - Toni Jenkins, Buford Middle
- **2015 S.C. AAA State Girls Basketball Coach**
 - Ronnie Robinson, South Middle
- **2015 Elementary & Middle School Academy of Science Contest Grand Prize winners**
 - Louis Prete, A.R. Rucker Middle
 - Matthew Prete, Discovery School
- **2014-15 North-South All-Star Baseball Game**
 - Kipp Rollings, Andrew Jackson High
- **2014-15 S.C. Coaches Assoc. for Women's Sports Class AA Softball Player of the Year**
- **2014-15 Class AA All-State Girls Softball Team**
- **2014-15 North-South All-Star Girls Softball Team**
 - Hannah Cobb, Andrew Jackson High
- **2014-15 Class AA All-State Girls Track Team**
 - Brantley Ussery, Andrew Jackson High
- **2014-15 Class AA All-State Golf Team**
 - Logan Sowell, Andrew Jackson High
- **2014-15 Class AA All-State Softball Team**
 - Kayla Price, Indian Land High
- **2014-15 North-South All-Star Softball Game**
 - Alli Yarborough, Indian Land High
- **2015 S.C. Governor's Committee on Employment of People with Disabilities Journalism Contest winner**
 - Marci Morrow, Lancaster High
- **2014-15 S.C. PASS Perfect Score – Science**
 - Zachary Blackwelder, Indian Land Middle
 - Hunter Snipes, McDonald Green Elementary
- **2014-15 S.C. PASS Perfect Score – Social Studies**
 - Virginia Walker, A.R. Rucker Middle
- **2014-15 Class AAA North-South All-Star Softball Team**
 - Kaela Robinson, Lancaster High
- **2014-15 Class AAA North-South All-Star Softball Coach**
 - Kim Perry, Lancaster High
- **2014-15 Class AA/AAA North-South All-Star Baseball Head Coach**
 - Eric Funderburk, Buford High

- **2014-15 SCBCA All-State Baseball Team**
 - Evan Flynn, Buford High
 - Eric Miles, Buford High
- **2015 International & S.C. Junior Civitan Club President of the Year**
 - Jonah Page, Lancaster High
- **2015 International & S.C. Male Junior Civitan of the Year**
- **2015 S.C. Most Service Hours Individual**
 - Dilon Patel, Lancaster High
- **2015 International & S.C. District Officer of the Year**
 - Seth Phillips, Lancaster High
- **2015 S.C. Club Officer of the Year**
- **2015 International Shropshire Scholarship recipient**
 - Zack Catoe, Lancaster High
- **2015 International & S.C. Junior Civitan Club of the Year**
- **2015 International Junior Civitan Honor Club of Distinction**
- **Environmental Project of the Year**
- **On-Going Project of the Year**
- **2015 S.C. Junior Civitan**
- **On-Going Campaign**
- **Collection Selection**
- **Most Service Hours**
- **CIRC**
- **Environmental Project**
 - Lancaster High Junior Civitan chapter
- **2014-15 S.C. Junior Civinette Advisor of the Year**
 - Stacey Kirkley, McDonald Green Elementary
- **2014-15 S.C. Junior Civinette Campus Project of the Year**
- **Community Project of the Year**
- **Special Friends Project FunFest Largest Donation**
- **2014-15 International Junior Civinette Honor Club**
 - Lancaster High Junior Civinette chapter
- **Eight Teachers attended 2015 Science P.L.U.S. Institute at Roper Mountain Science Center**
- **Four Duke TIP Scholars**

School District Focus

The district's focus over the past five years has been towards addressing the rapid enrollment growth in the northern area of the county. A new elementary school was opened in FY 2014-2015, and planning is underway for a bond referendum next spring to help fund major capital needs across the school district. The District increased operating millage by the allowable maximum of 4.50 mills for FY 2014-2015. There was no increase in debt service millage for the year. Conservative budgeting along with local tax collections exceeding budget expectations resulted in an increase in fund balance for the year of \$2,109,316. The District recognizes the need to build a healthy fund balance to help support the growth in enrollment and continue to meet the needs of the schools. Growth will continue to be a priority over the next few years along with increasing cost for technology.

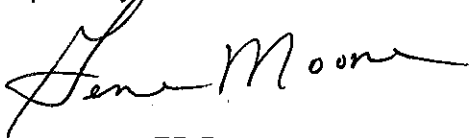
Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Lancaster County School District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the eleventh consecutive year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The successful completion of this comprehensive annual financial report is the result of the commitment and hard work of staff members from several departments. We would like to thank the entire Financial Services staff for their hard work, and the Department of Public Information for their assistance. We are especially grateful to our Board of Trustees for its continued support.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gene Moore".

Gene Moore, ED.D.
Superintendent

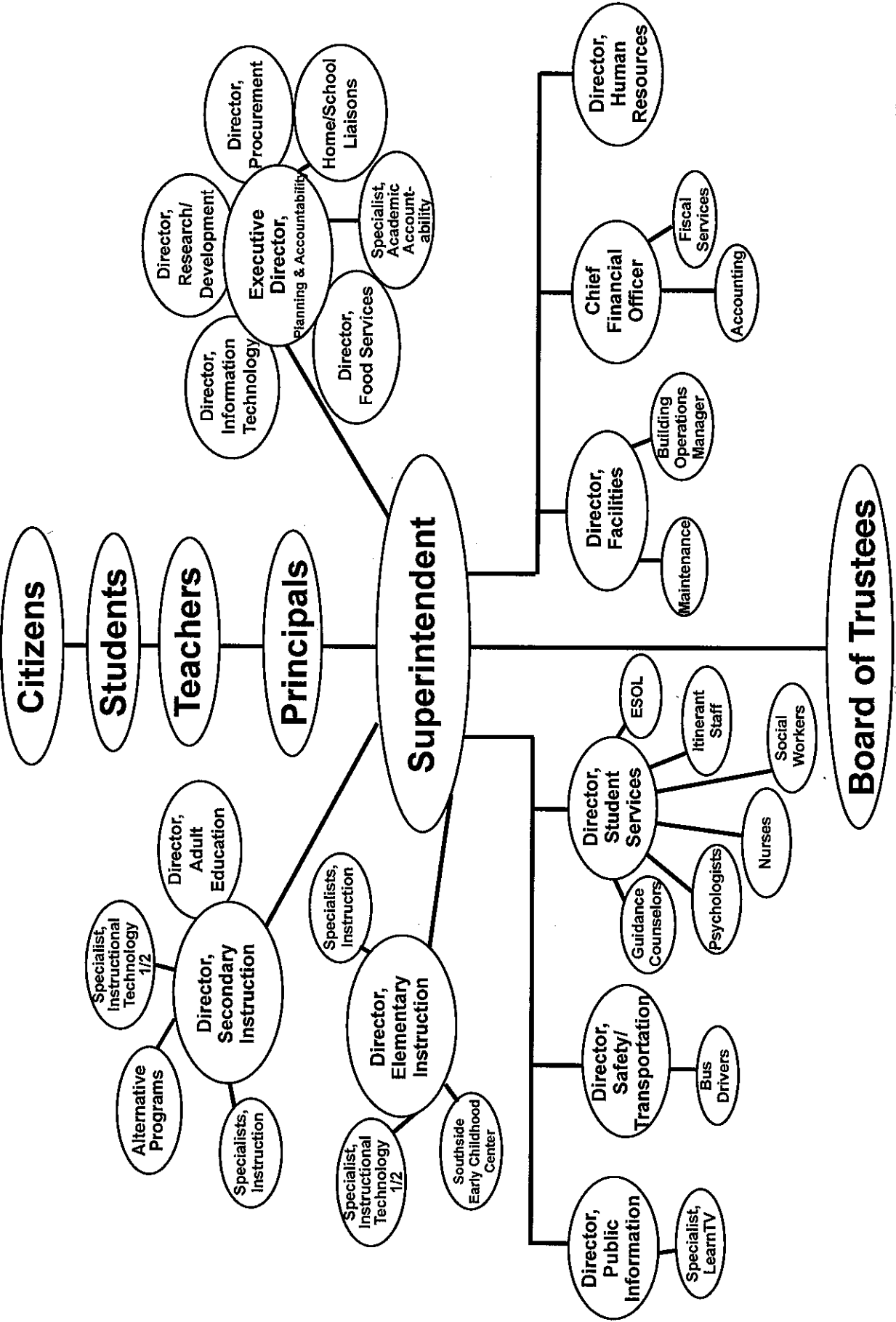
A handwritten signature in cursive script that reads "Tony Walker".

Tony Walker, CPA
Chief Financial Officer

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Organizational Chart

2014-2015



LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SCHOOL DISTRICT OFFICIALS

JUNE 30, 2015

Board of Trustees

Bobby Parker, Chairman

Margaret Gamble, Vice Chairman

Janice Dabney, Secretary

William Sumner, Jr. Don L. McCorkle

Tyrom Faulkner James Mitchell Brooks

Administrative Staff

Gene Moore, ED.D., Superintendent

Tony Walker, CPA, Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Lancaster County School District
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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FINANCIAL SECTION

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	PARTNERS			ASSOCIATES		
C.C. McGregor, CPA 1906–1968	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	J.R. Matthews II, CPA	M.L. Goode, CPA
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	G.P. Davis, CPA	B.A.G. Felch, CPA
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	H.J. Darver, CPA	H.S. Mims, CPA
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA		P.A. Betette, Jr, CPA	D.M. Herpel, CPA	
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA		S. Wo, CPA	H.O. Crider, Jr, CPA	
	W.W. Francis, CPA	L.B. Salley, CPA		C.D. Hinchee, CPA	F.C. Gillam, CPA	

INDEPENDENT AUDITORS' REPORT

Honorable Chairman and Members of
the Board of Trustees of
Lancaster County School District
Lancaster, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster County School District, Lancaster, South Carolina, as of and for the year ended June 30, 2015, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135
COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET
ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305
BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

GREENVILLE

101 N MAIN STREET | SUITE 1510
GREENVILLE, SC 29601
(864) 751-6556 | FAX (864) 751-6557

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster County School District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, in 2015 the District adopted required accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14-22 and budgetary comparison schedule – General Fund, schedule of District's proportionate share of the net pension liability – SCRS and PORS, and schedule of District contributions – SCRS and PORS on pages 55-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lancaster County School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2015, on our consideration of Lancaster County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lancaster County School District's internal control over financial reporting and compliance.

McGuire & Company, LLP

Columbia, South Carolina
November 9, 2015

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BASIC FINANCIAL STATEMENTS

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**Lancaster County School District
Management's Discussion and Analysis
Year Ended June 30, 2015**

This section of Lancaster County School District's annual financial report presents management's discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2015. We encourage readers to consider the information presented here in conjunction with the District's transmittal letter, basic financial statements, and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for FY 2014-2015 are as follows:

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the fiscal year ended June 30, 2015 yielding a negative net position of approximately \$(32.06) million. The main factor for the net position (deficit) was the mandatory implementation of GASBS 68, *Accounting and Financial Reporting on Pensions (Employers)*. The total net pension liability reported this year for the primary government was \$111.66 million. This also resulted in an unrestricted net position (deficit) of \$(89.15) million. The net pension liability was required to be allocated proportionately among the District's governmental and business-type activities in the amounts of \$109.51 million and \$2.15 million, respectively, at June 30, 2015.
- The District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* in 2015 to improve on accounting and reporting of pensions that governments provide to their employees. This was a mandatory requirement for years beginning after June 15, 2014, which required the District to recognize a net pension liability on its statement of net position (deficit) and pension expense on its statement of activities for the year ending June 30, 2015 based on the actuarial calculation of future retirement benefits performed by the SC Public Employee Benefit Authority (PEBA). Additional information on the District's pension plan and GASBS 68 implementation can be found in Note 9 of the financial statements.
- After the beginning net position (deficit) was restated for GASBS 68, the District's total net position increased during the year by approximately \$5.71 million. Changes to total assets included a decrease of \$.81 million. This includes a \$3.36 million increase in cash, cash equivalents and investments due to conservative budgeting; a reduction in due from county of \$6.35 million as bond funds for construction were expensed during the year; and a related increase in capital assets of \$2.41 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$28.84 million, a decrease of approximately \$2.85 million as capital project funds were expended and debt service reserve was reduced during the year. Approximately 61.25% of this total amount, \$17.66 million is unassigned.
- The unassigned fund balance for the general fund was \$17,664,234 or 85.08%. This represents a \$1,816,221 increase from the prior year.
- The District's long-term liabilities decreased by \$6,157,469 during the year. This was primarily due to reductions in debt principal and premiums during the year of \$7,803,337 and increases in compensated absences of \$70,446 along with increases in the District's net pension liability of \$1,575,422.

Overview of Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, including general, special revenue, debt service, capital projects, fiduciary, proprietary and (3) notes to the financial statements.

The government-wide financial statements report information about the District as a whole, using accounting methods similar to those used by private-sector companies.

The statement of net position includes all of the District's assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any), with the difference between these items reported as net position. Over time, increases or decreases in the District's net position may serve as an indicator of whether the District's financial position is improving or deteriorating, respectively.

The statement of activities accounts for all of the current year's revenues and expenses regardless of when cash is received or paid. This statement includes some items such as uncollected taxes and unused compensated absences, reported as revenues and expenses that will only result in cash flows in future fiscal periods.

The government-wide financial statements include not only the school district itself (known as the primary government), but also component units. The component units include one legally separated charter school (Discovery School of Lancaster County) and a not-for-profit corporation (Lancaster Educational Assistance Program, Inc. or LEAP) for which the school district is financially accountable. Financial information for the Discovery School is reported separately from the financial information presented for the primary government itself. Additional information on the District's component units can be found on pages 33-34.

The not-for-profit corporation (LEAP) is a "blended" component unit, and as such, is included in the governmental activities of the school district. The government-wide financial statements can be found on pages 23-24 of this report.

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying long-term debt) or to show that it is properly using certain revenues (such as local, state and federal grants.)

All of the District's funds can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds include the District's basic services, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the "Reconciliation of Balance Sheet of Government Funds to the Statement of Net Position" and the "Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds with the District-wide Statement of Activities" to help explain the relationship (or differences) between them. The governmental fund basic financial statements can be found beginning on page 25 of this report.

Proprietary funds (enterprise funds) are used to account for operations that are financed and operated in a manner similar to private business enterprises. Food service is the District's only proprietary fund.

Fiduciary funds (pupil activity funds) are funds for which the District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. It is the District's responsibility to ensure that all assets reported in these funds are being used for their intended purpose and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33-54 of this report.

Required supplementary information is included concerning the District's budget and pension plan information. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund on page 55 of this report. In addition, the schedules on pages 56-57 of this report are included to provide additional information related to the District's proportionate share of the net pension liability.

Government-Wide Financial Analysis

As noted earlier, net position (deficit) may serve over time as a useful indicator of a government's financial position. With the reporting of the District's net pension liability as required under GASBS 68 this year, the District's net position was a deficit. Additional information on the restatement of last year's net position for governmental and business-type activities can be found in Note 17 of the financial statements. The District's net deficit was less on June 30, 2015 than it was the year before, decreasing to \$(32,062,643), (See figure A-1). Most of the decrease in the District's financial deficit came from its governmental activities, the net deficit of which decreased \$5,295,939 to \$(32,095,323). The net position of the District's business-type activities increased \$411,564 to \$32,680.

Figure A-1

Condensed Statement of Net Position (Deficit)

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14
Current Assets	\$ 43,281,919	\$ 45,732,831	\$1,114,334	\$1,251,336	\$ 44,396,253	\$ 46,984,167
Capital Assets	125,484,050	124,289,161	1,109,933	531,604	126,593,983	124,820,765
Total Assets	168,765,969	170,021,992	2,224,267	1,782,940	170,990,236	171,804,932
Deferred Outflows	13,763,249	4,501,530	188,209	-	13,951,458	4,501,530
Total Current Liabilities	12,282,776	12,618,931	46,913	40,700	12,329,689	12,659,631
Total Noncurrent Liabilities	193,108,012	199,295,853	2,151,496	2,121,124	195,259,508	201,416,977
Total Liabilities	205,390,788	211,914,784	2,198,409	2,161,824	207,589,197	214,076,608
Deferred Inflows	9,233,753	-	181,387	-	9,415,140	-
Net Position (Deficit)						
Net Investment in Capital Assets	47,270,919	38,615,430	1,109,933	531,604	48,380,852	39,147,034
Restricted	8,706,914	13,619,093	-	-	8,706,914	13,619,093
Unrestricted	(88,073,156)	(89,625,785)	(1,077,253)	(910,488)	(89,150,409)	(90,536,273)
Total Net Position (Deficit)	(32,095,323)	(37,391,262)	32,680	(378,884)	(32,062,643)	(37,770,146)

The District's financial position is the product of many factors. Cash/cash equivalents and Investments increased by \$3,357,369 due to conservative budgeting of local tax collections and expenditures. Property taxes receivables increased by \$247,436 over the prior year for a total of \$2,738,530. Due from County Government decreased by \$6,348,352 to \$7,376,123 as capital funds were expensed during the year and debt was reduced. There was a net increase of \$1,773,218 in capital assets for additions to capital assets of \$20,482,211 which exceeded current year depreciation and disposals of \$18,708,993 for the year. Current liabilities decreased by \$329,942. No new long-term debt was issued during the year and long-term debt decreased by \$7,803,337. Compensated absences increased by \$70,446 to \$1,212,834 and are reflected in the government-wide financial statements.

Changes in Net Position:

The District's total revenues for the fiscal year ended June 30, 2015 were \$122,160,334 (see figure A-2). Property taxes accounted for 32.74 percent of the District's revenue. Grants accounted for 54.71 percent, with the remaining 12.55 percent coming from charges for services, investment earnings, unrestricted grants, and miscellaneous sources.

The District's total cost of all programs and services for the year ended June 30, 2015 was \$116,452,831 (see figure A-2). The District's expenses are predominantly related to instruction (55.52 percent). The District's support services accounted for 36.45 percent and business activities accounted for 4.67 percent of total cost. Community services, pupil activities, intergovernmental and interest on long-term debt made up the remaining 3.36 percent.

Both governmental activities and business-type activities increased over the prior year. Total revenues surpassed expenses increasing net position by \$5,707,503.

Figure A-2 Condensed Changes in Net Position from Operating Results						
	Governmental Activities		Business-Type Activities		Total Activities	
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14
Program Revenues						
Charges for Services	\$ 35,780	\$ 27,393	\$ 1,429,613	\$ 1,453,478	\$ 1,465,393	\$ 1,480,871
Operating Grants	62,730,886	59,014,988	4,105,555	3,919,468	66,836,441	62,934,456
General Revenues						
Property Taxes	40,001,674	37,698,060	-	-	40,001,674	37,698,060
Unrestricted Grants	13,779,684	13,564,970	-	-	13,779,684	13,564,970
Other	77,142	85,142	-	-	77,142	85,142
Total Revenues	116,625,166	110,390,553	5,535,168	5,372,946	122,160,334	115,763,499
Program Expenses						
Instructional	64,637,304	60,978,687			64,637,304	60,978,687
Support Services	42,449,478	39,471,208			42,449,478	39,471,208
Food Service	-	-	5,457,733	4,913,072	5,457,733	4,913,072
Other	3,908,316	5,160,821			3,908,316	5,160,821
Total Expenses	110,995,098	105,610,716	5,457,733	4,913,072	116,452,831	110,523,788
Excess (Deficiency)						
Before Transfers	5,630,068	4,779,837	77,435	459,874	5,707,503	5,239,711
Transfers In/(Out)	(334,129)	259,326	334,129	(259,326)	-	-
Changes in Net Position	5,295,939	5,039,163	411,564	200,548	5,707,503	5,239,711

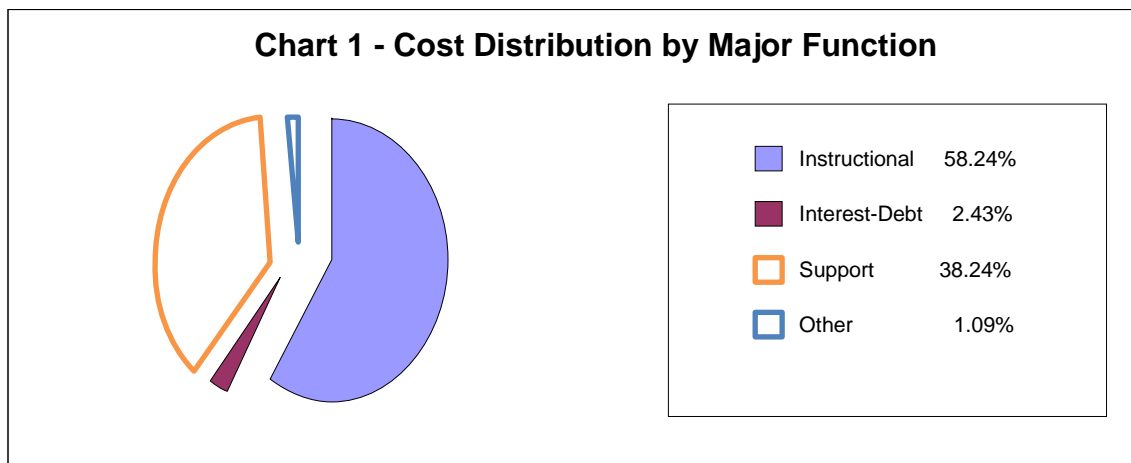
Governmental Activities:

Revenues exceeded expenses and transfers-out for the District's governmental activities by \$5,295,939. Revenues totaled \$116,625,166 and expenses and transfers-out totaled \$111,329,227 for the year ended June 30, 2015 (see figure A-2).

Figure A-3 below presents the cost of five major functional activities: instruction, support services, community services, pupil activities and interest on long-term debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net (expense) revenue shows the financial burden placed on the District's taxpayers by each of these functions. The cost of all governmental activities this year was \$110,995,098.

Figure A-3 Cost of the Five Major Functional Activities for Governmental Activities				
	Total Expense		Net (Expense) Revenue	
	FY 15	FY 14	FY 15	FY 14
Instruction	\$ 64,637,304	\$ 60,978,687	(\$ 26,716,172)	(\$ 25,258,939)
Support Services	42,449,478	39,484,162	(18,220,494)	(16,852,879)
Community Services	987,968	1,147,511	(371,418)	(443,207)
Pupil Activities	226,209	195,706	(226,209)	(195,706)
Interest & Other Charges	2,694,139	3,804,650	(2,694,139)	(3,817,604)
Total	110,995,098	105,610,716	(48,228,432)	(46,568,335)

Chart 1 below presents a percentage breakdown of the total expense distribution by major function.

**Business-Type Activities:**

Revenues and transfers-in exceed expenses of the District's business-type activities by \$411,564. Revenues and transfers-in totaled \$5,869,297 and expenses totaled \$5,457,733 for the year ended June 30, 2015 (see figure A-2).

Financial Analysis of the District's Funds

Governmental Funds:

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial performance of the District as a whole is reflected in its governmental funds as well. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported combined fund balances of \$28,841,258. This was a decrease of \$2,852,645 from last year's ending fund balances of \$31,693,903.

Approximately \$17,664,234 or 61.25 percent constitutes the unassigned portion of the District's fund balance. This balance is maintained as an operating balance for the District to meet cash flow obligations throughout the year. The remaining fund balance is classified as assigned or restricted for the following spending constraints:

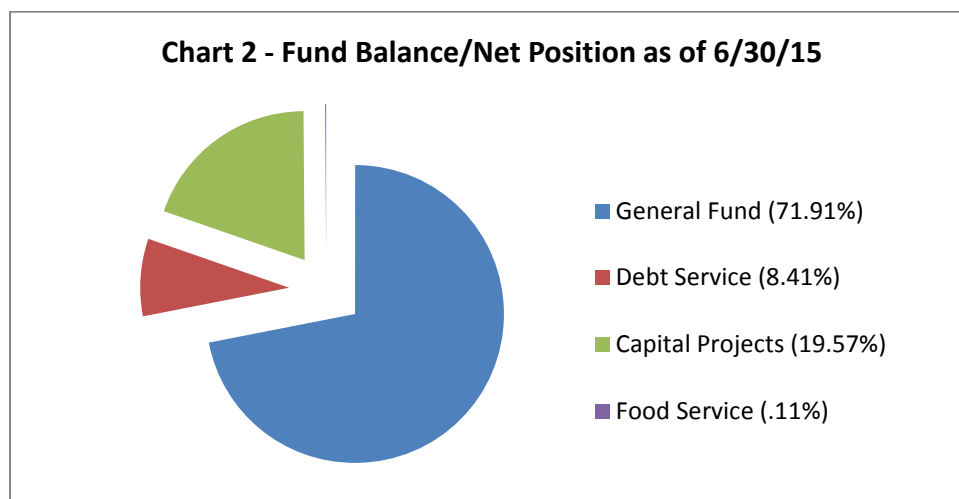
\$ 39,411 assigned for encumbrances
3,058,770 assigned for subsequent year's expenses
2,429,626 restricted for debt service
5,649,217 restricted for capital projects

The general fund is the principal operating fund of the District. The general fund balance showed an increase of \$2,109,316. The debt service-district fund balance showed a decrease of \$1,446,871, a planned reduction based on needs. The capital projects-district showed a decrease of \$3,515,090 due to the use of capital funds for construction and other capital projects during the year.

Proprietary Funds:

Proprietary funds are used to account for operations similar to private business enterprises. The food service fund is the District's only proprietary fund. The year end food service fund balance was \$32,680. This was an increase of \$411,564 from last year's restated ending net position (deficit) of (\$378,884).

Chart 2 below provides a breakdown of total fund balance and net position as of June 30, 2015.



General Fund	\$ 20,762,415
Debt Service	\$ 2,429,626
Capital Projects	\$ 5,649,217
Food Service	\$ 32,680

General Fund Budgetary Highlights:

District's management built the original general fund budget with the use of \$2,656,044 in equity to balance. State funding levels were estimated to increase for the year by 3.59% or \$1,424,111. It was the District's goal to maintain programs and staffing where federal funds were diminishing and address the growth in enrollment pressing on the District. Budgeted revenues included an increase of 4.5 mills in school operating millage with no increase in debt service millage. Budgeted expenses included a step increases in payroll but there was no increase for inflation to the payroll schedules. Teacher/pupil ratios continued at the higher levels set in the previous years. School allocations were fully funded.

It has been the practice of the District to review and revise its general fund budget at mid-year for any variations from the originally approved budget or anticipated changes in revenues and expenses. Mid-year budget revisions were approved by the Board of Trustees in February 2015. Revenue projections increased by \$1,957,183 mostly in state funding for student growth. This revenue increase allowed for the reduction in the use of equity by \$1,669,126 to \$986,918 to balance the revised budget. Budgeted expenses were increased by \$288,057 from the original budget.

For the year, ad valorem tax collections exceeded the budget of \$23,714,417 by \$542,511 or 2.28%. Other local revenues exceeded the budget by \$376,582 for the year. Overall local revenues exceeded the budget of \$26,315,805 by 3.49%. Total state revenues for the year were slightly under the budget of \$54,849,063 by \$(3,721).

Salaries and fringe benefits were slightly under budget of \$72,917,908 for the year by \$1,394,595 or 1.91%. Purchased services were under the budget of \$5,742,673 by 6.58% or \$378,044. All other expenses were slightly under budget of \$5,920,967 by \$108,302 or 1.83% for the year.

Capital Assets and Debt Administration**Capital Assets:**

By the end of 2015, the District had invested \$192,605,616 in capital assets, including school buildings and facilities, vehicles, furniture, furnishings and equipment. Total depreciation expense for the year was \$5,043,228. The following schedule (figure A-4), presents capital asset balances net of depreciation for the fiscal year ended June 30, 2015.

Figure A-4		Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Total Activities		
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14	
Land	\$ 4,619,029	\$ 4,619,029	\$ -	\$ -	\$ 4,619,029	\$ 4,619,029	
Buildings & Improvements	115,205,610	103,679,890	-	-	115,205,610	103,679,890	
Furniture & Equipment	3,665,225	2,287,253	1,109,933	531,603	4,775,158	2,818,856	
Construction in Progress	1,994,186	13,702,990	-	-	1,994,186	13,702,990	
Total Cost	125,484,050	124,289,162	1,109,933	531,603	126,593,983	124,820,765	

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-Term Debt:

At year end, the District had \$19,075,000 in general obligation bonds debt outstanding (see figure A-5), of which \$3,880,000 is due within one year.

State statutes currently limit the amount of general obligation debt a District may issue to 8 percent of its total assessed valuation. The current debt limitation for the District is \$24,969,042 of which \$8,560,000 was outstanding at 6/30/15 leaving an available balance of \$16,409,042. More detailed information about the District's long-term debt is presented in Note 8 to the financial statements.

Figure A-5 Outstanding Long-Term Debt				
	July 1, 2014 Balance	Additions to (Reductions in) Principal	June 30, 2015 Balance	Amount Due Within One Year
General Obligation Bonds	\$24,030,000	\$ (4,955,000)	\$19,075,000	\$3,880,000
LEAP Installment Bonds	59,030,000	(2,245,000)	56,787,000	2,215,000

Economic Factors, Next Year's Budget, Subsequent Events and Other Matters

In the FY 2015-2016 budget the District balanced revenues with the use of \$3,058,770 in general fund equity to cover budgeted expenses for the year. The Board of Trustees and District management have a clear understanding of the importance of maintaining a healthy fund balance. Board Policy was approved in 2005 to maintain a general fund balance of no less than 8 percent of the current year's budgeted general fund expenses. Unassigned general fund equity at July 1, 2015 was \$17,664,234 or 19.76% of the \$89,390,699 budgeted expenses for FY 2015-2016.

The budget did not include a local tax millage increase as total operating millage remained at 149.50. Growth in the mill value of 1.38% or \$1,913, gave us increased estimates for local tax revenues by approximately \$285,994. Other local revenues are estimated to increase by \$487,859. State tax reimbursements and state revenues are estimated to increase by approximately \$1.96 million as well for FY 2015-2016.

The District opened a new elementary school in FY 2014-2015 as scheduled and the fiscal year budget includes staffing and operational cost for this new school. This school was built to meet enrollment growth in the northern area of the District which continues to grow and as such remains one of the District's top priorities.

The state reimbursement for residential property tax FY 2015-2016 was calculated using a 1.69% increase for the consumer price index and a statewide growth percentage of 1.27%. This amounts to an increase of \$342,316 for a total budget of \$8,719,477.

The state base student cost used for the FY 2014-2015 budget was \$2,120 and the estimated base student cost for FY 2015-2016 was budgeted at \$2,220. This was an increase of 4.71% or \$100 in base student cost. This was an increase of approximately \$1.40 million in state funding, still well below the funding level from FY 2007-2008 of \$2,476 and the recommended funding level for FY 2015-2016 of \$2,742.

Overall general fund budgeted expenses for FY 2015-2016 increased by \$4,809,151. For salaries and fringe benefits, the FY 2015-2016 budget increased by \$3,592,016. Budgets for operations, school allocations, District office and board of trustees increased around an average of 10%.

Debt Service millage increased by 10 mills for a total of 53.00 mills for FY 2015-2016 budget to cover capital needs including additional classrooms for increasing enrollment and to meet estimated debt requirements.

The Board of Trustees will revise the District's budget at mid-year, as they have in past years, based on the current economic conditions and revised estimated revenues and expenses for the year.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for all funding received. If you have questions about this report or need additional financial information, contact Lancaster County School District, Finance Department, 300 South Catawba, Lancaster, South Carolina, 29720.

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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash & Cash Equivalents	\$ 3,489,233	\$ 1,371,940	\$ 4,861,173	
Investments	24,933,783		24,933,783	
Property Tax Receivable, Net	2,738,530		2,738,530	
Internal Balances	387,233	(387,233)	-	
Due from Pupil Activities	454,976		454,976	
Due From County Government	7,376,123		7,376,123	
Due From State Government	788,702		788,702	
Due From Federal Government	1,969,561		1,969,561	
Due From Other Governmental Units	842,951		842,951	
Prepaid Expenses	769		769	
Inventories - Supply & Materials	-	102,503	102,503	
Other Receivables	300,058	27,124	327,182	\$ 40,510
Capital Assets (Net of Accumulated Depreciation)				
Land	4,619,029		4,619,029	
Buildings & Improvements	115,205,610		115,205,610	
Machinery, Equipment and Vehicles	3,665,225	1,109,933	4,775,158	
Construction in Progress	1,994,186		1,994,186	
Total Assets	168,765,969	2,224,267	170,990,236	40,510
Deferred Outflows of Resources				
Pension Difference Between Expected and Actual Funding Experience	3,102,818	60,964	3,163,782	
Employer Contributions Subsequent to Measurement Date	6,483,232	127,245	6,610,477	
Unamortized Loss on Refunding - Debt Defeasance	4,177,199		4,177,199	
Total Deferred Outflows of Resources	13,763,249	188,209	13,951,458	-
Liabilities				
Accounts Payable and Other Liabilities	9,440,537		9,440,537	40,510
Due To State Government	5,620		5,620	
Due to Federal Government	49,498		49,498	
Retainage Payable	88,181		88,181	
Revenue Received in Advance	1,219,143	46,913	1,266,056	
Accrued Interest Payable	404,797		404,797	
Note Payable	1,075,000		1,075,000	
Noncurrent Liabilities:				
Due Within One Year	7,165,064		7,165,064	
Due in More Than One Year	76,438,100		76,438,100	
Net Pension Liability	109,504,848	2,151,496	111,656,344	
Total Liabilities	205,390,788	2,198,409	207,589,197	40,510
Deferred Inflows of Resources				
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,233,753	181,387	9,415,140	
Total Deferred Inflows of Resources	9,233,753	181,387	9,415,140	-
Net Position (Deficit)				
Net Investment in Capital Assets	47,270,919	1,109,933	48,380,852	
Restricted For:				
Debt Service	3,057,697		3,057,697	
Capital Projects	5,649,217		5,649,217	
Net Position (Deficit) - Unrestricted	(88,073,156)	(1,077,253)	(89,150,409)	
Total Net Position (Deficit)	\$ (32,095,323)	\$ 32,680	\$ (32,062,643)	\$ -

The notes to the basic financial statements are an integral part of this statement.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	Component Unit
				Governmental Activities	Business-Type Activities		
Governmental Activities:							
Instruction	\$ 64,637,304	\$ 21,617	\$ 37,899,515	\$ (26,716,172)	\$ -	\$ (26,716,172)	
Support Services	42,449,478	13,812	24,215,172	(18,220,494)	-	(18,220,494)	
Community Service	987,968	351	616,199	(371,418)	-	(371,418)	
Pupil Activity	226,209	-	-	(226,209)	-	(226,209)	
Interest & Other Charges	2,694,139	-	-	(2,694,139)	-	(2,694,139)	
Total Governmental Activities	110,995,098	35,780	62,730,886	(48,228,432)	-	(48,228,432)	
Business-Type Activities:							
Food Service	5,457,733	1,429,613	4,105,555	-	77,435	77,435	
Total Business-Type Activities	5,457,733	1,429,613	4,105,555	-	77,435	77,435	
Total Primary Government	\$ 116,452,831	\$ 1,465,393	\$ 66,836,441	\$ (48,228,432)	\$ 77,435	\$ (48,150,997)	
Component Unit:							
Charter School	\$ 789,139	\$ -	\$ 789,139			\$ -	
General Revenues:							
Property Taxes Levied For:							
General Purposes				26,823,264	-	26,823,264	
Debt Service				13,178,410	-	13,178,410	
State Aid Not Restricted For Specific Purpose				13,779,684	-	13,779,684	
Unrestricted Investment Earnings				54,965	-	54,965	
Miscellaneous				22,177	-	22,177	
Transfers				(334,129)	334,129	-	
Total General Revenues and Transfers				53,524,371	334,129	53,858,500	-
Change in Net Position				\$ 5,295,939	\$ 411,564	\$ 5,707,503	\$ -
Net Position (Deficit) - Beginning - as Restated				(37,391,262)	(378,884)	(37,770,146)	
Net Position (Deficit) - Ending				\$ (32,095,323)	\$ 32,680	\$ (32,062,643)	\$ -

The notes to the basic financial statements are an integral part of this statement.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds					
		Education				Total
	General	Special Projects	Improvement Act	Debt Service	Capital Projects	Governmental Funds
Assets						
Cash & Cash Equivalents	\$ 3,489,233	\$ -	\$ -	\$ -	\$ -	\$ 3,489,233
Investments	24,933,783	-	-	-	-	24,933,783
Property Tax Receivable, Net	2,070,702	-	-	667,828	-	2,738,530
Due From Other Funds	-	-	363,770	-	2,221,362	2,585,132
Due From Pupil Activities	454,976	-	-	-	-	454,976
Due From County Government	511,891	-	-	2,389,777	4,474,455	7,376,123
Due From State Government	291,011	231,900	265,791	-	-	788,702
Due From Federal Government	-	1,969,561	-	-	-	1,969,561
Due From Other Governmental Units	842,859	-	-	92	-	842,951
Prepaid Expenses	-	769	-	-	-	769
Other Receivables	100,778	168,817	2,063	-	28,400	300,058
Total Assets	\$ 32,695,233	\$ 2,371,047	\$ 631,624	\$ 3,057,697	\$ 6,724,217	\$ 45,479,818
Liabilities						
Accounts Payable	2,116,061	-	-	-	-	2,116,061
Accrued Salaries	4,452,813	-	-	-	-	4,452,813
Accrued Payroll Related Liabilities	2,871,663	-	-	-	-	2,871,663
Due To Other Funds	469,489	1,728,410	-	-	-	2,197,899
Due To State Government	-	-	5,620	-	-	5,620
Due to Federal Government	-	49,498	-	-	-	49,498
Notes Payable	-	-	-	-	1,075,000	1,075,000
Unearned Revenue	-	593,139	626,004	-	-	1,219,143
Total Liabilities	9,910,026	2,371,047	631,624	-	1,075,000	13,987,697
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes	2,022,792	-	-	628,071	-	2,650,863
Total Deferred Inflows of Resources	2,022,792	-	-	628,071	-	2,650,863
Fund Balances						
Restricted	-	-	-	2,429,626	5,649,217	8,078,843
Assigned	3,098,181	-	-	-	-	3,098,181
Unassigned	17,664,234	-	-	-	-	17,664,234
Total Fund Balances	20,762,415	-	-	2,429,626	5,649,217	28,841,258
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 32,695,233	\$ 2,371,047	\$ 631,624	\$ 3,057,697	\$ 6,724,217	\$ 45,479,818

The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2015**

**Amounts Reported for Governmental Activities in the Statement of Net Position (Deficit)
are Different Because:**

Ending Fund Balance - Governmental Fund Financial Statements	\$ 28,841,258
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	125,484,050
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period expenditures and, therefore, are deferred inflows of resources on the fund financial statements.	2,650,863
Deferred Outflows (Inflows) resulting from the recognition of the employer's share of the state's net pension liability are not current financial resources; therefore, they are not reported on the fund financial statements.	352,297
Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	(404,797)
Retainage payable on contracts in progress is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	(88,181)
Long-term liabilities, including bonds payable \$(75,860,000), unamortized bond premium \$(6,530,330), amount on deferred refunding \$4,177,199, compensated absences \$(1,212,834), net pension liability \$(109,504,848), are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	<u>(188,930,813)</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (32,095,323)</u></u>

The notes to the basic financial statements are an integral part of this statement.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Major Funds						
	Special Revenue						Total
	General	Special Projects	Education Improvement Act	Debt Service	Debt Service LEAP	Capital Projects	Governmental Funds
Revenues							
Taxes Levied/Assessed by the LEA	\$24,447,139	\$ -	\$ -	\$12,578,466	\$ -	\$ -	\$ 37,025,605
Revenue From Local Governmental Units Other Than LEAs	2,105,780	-	-	550,163	-	-	2,655,943
Tuition	26,707	9,073	-	-	-	-	35,780
Earnings on Investments	45,675	-	-	4,794	-	4,496	54,965
Other Revenue from Local Sources	609,597	639,304	-	-	-	56,279	1,305,180
Total Local	27,234,898	648,377	-	13,133,423	-	60,775	41,077,473
Intergovernmental	-	-	-	-	-	-	-
State Sources	54,845,342	2,444,064	6,838,768	745,168	-	-	64,873,342
Federal Sources	-	10,354,226	-	-	-	-	10,354,226
Total Revenues	82,080,240	13,446,667	6,838,768	13,878,591	-	60,775	116,305,041
Expenditures							
Current:							
Instruction	50,243,248	8,078,877	2,953,162	-	-	-	61,275,287
Support Services	31,315,039	3,180,364	1,566,840	-	-	3,088,433	39,150,676
Community Services	-	987,968	-	-	-	-	987,968
Pupil Activities	226,209	-	-	-	-	-	226,209
Intergovernmental	840,068	85,298	-	-	-	-	925,366
Debt Service:							
Redemption of Principal	-	-	-	4,955,000	2,245,000	-	7,200,000
Interest	-	-	-	910,462	2,124,721	3,983	3,039,166
Capital Outlay	76,043	859,370	177,660	-	-	5,573,728	6,686,801
Total Expenditures	82,700,607	13,191,877	4,697,662	5,865,462	4,369,721	8,666,144	119,491,473
Excess of Revenues Over (Under) Expenditures	(620,367)	254,790	2,141,106	8,013,129	(4,369,721)	(8,605,369)	(3,186,432)
Other Financing Sources (Uses)							
Transfers In	2,729,683	-	-	-	4,369,721	5,090,279	12,189,683
Transfers Out	-	(254,790)	(2,141,106)	(9,460,000)	-	-	(11,855,896)
Total Other Financing Sources (Uses)	2,729,683	(254,790)	(2,141,106)	(9,460,000)	4,369,721	5,090,279	333,787
Net Change in Fund Balances	\$ 2,109,316	\$ -	\$ -	\$ (1,446,871)	\$ -	\$ (3,515,090)	\$ (2,852,645)
Fund Balance, Beginning of Year	18,653,099	-	-	3,876,497	-	9,164,307	31,693,903
Fund Balance, Ending of Year	\$20,762,415	\$ -	\$ -	\$ 2,429,626	\$ -	\$ 5,649,217	\$ 28,841,258

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS WITH THE
DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2015**

**Amounts Reported for Governmental Activities in the Statement of Activities are
Different Because:**

Net Change in Fund Balances - Total Governmental Funds:	\$ (2,852,645)
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. This is the amount that the cost of assets \$6,167,015 exceeds current period depreciation \$4,929,365.	1,237,650
The statement of activities reports gains or losses arising from the disposal of capital assets. Conversely, governmental funds do not report any gains or loss on disposal of capital assets.	(42,761)
Certain deferred revenues reported in the governmental funds are recognized subject to a reserve for uncollectible amounts in the statement of activities. This is the change in the amount of taxes receivable recognized under the accrual basis.	320,127
Deferred charges are not reported in the funds because they are not current financial resources, but they are reported in the statement of net position. This is the amount of bond premium amortization \$584,931 and amount deferred on refunding amortization \$(324,331).	260,600
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources used.	(70,446)
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Interest on long-term debt and costs held in retainage are not recognized in the governmental funds statement until due, however, it is recognized in the statement of activities as it accrues. The amount presented is the difference in the accounting for these costs during the current year.	436,167
In the statement of activities, retirement expense is measured by the District's proportionate share \$7,675,985 of the SCRS total pension expense. In the governmental fund, however, the expenditure for retirement is measured by the current contributions to the retirement system \$6,483,232. The amount presented is the difference in the accounting for these costs during the current year.	(1,192,753)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The amount paid during the year for repayment of bond principal was \$7,200,000.	7,200,000
Change in Net Position - Governmental Activities	<u>\$ 5,295,939</u>

The notes to the basic financial statements are an integral part of this statement.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND - FOOD SERVICE
JUNE 30, 2015

Assets

Current Assets:

Cash & Cash Equivalents	\$ 1,371,940
Inventories - Supply & Materials	102,503
Other Receivables	27,124
	<hr/>

Total Current Assets	<hr/> 1,501,567
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Noncurrent Assets:

Property and Equipment, Net	<hr/> 1,109,933
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Total Noncurrent Assets	<hr/> 1,109,933
-------------------------	-----------------

Total Assets	<hr/> 2,611,500 <hr/>
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Deferred Outflows of Resources

Pension Difference Between Expected and Actual

Funding Experience	60,964
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Employer Contributions Subsequent to Measurement Date	<hr/> 127,245
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Total Deferred Outflows of Resources	<hr/> 188,209 <hr/>
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Liabilities

Current Liabilities:

Due To Other Funds	387,233
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Unearned Revenue	<hr/> 46,913
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Total Current Liabilities	<hr/> 434,146
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Noncurrent Liabilities:

Net Pension Liability	<hr/> 2,151,496
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Total Noncurrent Liabilities	<hr/> 2,151,496
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Total Liabilities	<hr/> 2,585,642 <hr/>
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Deferred Inflows of Resources

Net Difference Between Projected and Actual Earnings

on Pension Plan Investments	<hr/> 181,387
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Total Deferred Inflows of Resources	<hr/> 181,387 <hr/>
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Net Position

Investment in Capital Assets	1,109,933
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Unrestricted	<hr/> (1,077,253)
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Total Net Position	<hr/> \$ 32,680 <hr/>
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The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities Enterprise Fund - Food Service
Operating Revenues	
Proceeds from Sales of Meals	\$ 1,429,613
Total Operating Revenues	<u>1,429,613</u>
Operating Expenses	
Food Costs	2,662,172
Salaries & Employee Benefits	2,385,251
Supplies & Materials	236,797
Depreciation	113,863
Other Operating Costs	<u>59,650</u>
Total Operating Expenses	<u>5,457,733</u>
Operating Income (Loss)	<u>(4,028,120)</u>
Non-Operating Revenues (Expenses)	
USDA Reimbursements	3,735,394
Commodities Received from USDA	370,708
Other Federal & State Aid	438
Loss on Disposal of Capital Assets	<u>(985)</u>
Total Non-Operating Revenues	<u>4,105,555</u>
Net Income Before Transfers	77,435
Capital Contributions	667,916
Transfers In (Out)	<u>(333,787)</u>
Change in Net Position	411,564
Net Position, Beginning of Year - as Restated	<u>(378,884)</u>
Net Position, End of Year	<u><u>\$ 32,680</u></u>

The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities
	Enterprise Fund - Food Service
Cash Flows from Operating Activities	
Received from Patrons	\$ 1,423,262
Payments to Employees for Services	(2,361,701)
Payments to Suppliers for Goods and Services	(2,608,771)
Net Cash Used by Operating Activities	(3,547,210)
Cash Flows from Noncapital Financing Activities	
Federal Subsidy	3,735,394
Other Federal and State Aid	879
Transfers to Other Funds	(301,561)
Net Cash Provided by Noncapital Financing Activities	3,434,712
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(25,262)
Net Decrease in Cash and Cash Equivalents	(137,760)
Cash and Cash Equivalents - Beginning	1,509,700
Cash and Cash Equivalents - Ending	\$ 1,371,940
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities	
Operating Income (Loss)	(4,028,120)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:	
Depreciation Expense	113,863
Commodities Received from USDA	370,708
Pension Expense	23,550
Change in Assets and Liabilities:	
Increase in Accounts Receivable	(12,564)
Increase in Inventories	(20,860)
Increase in Unearned Revenue	6,213
Total Adjustments	480,910
Net Cash Used by Operating Activities	\$ (3,547,210)
Non-Cash Transactions:	
Capital Assets Contributed to Food Service from Capital Projects Fund	\$ 657,916
Capital Assets Contributed to Food Service from Special Revenue Fund	10,000
Commodities Received from the USDA	370,708

The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
AGENCY FUND - PUPIL ACTIVITY FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

Assets

Cash & Cash Equivalents	\$ 848,566
Investments	1,008,470
Other Receivables	<u>12,058</u>
Total Assets	<u>\$ 1,869,094</u>

Liabilities

Due to School District	454,976
Due to School Organizations	<u>1,414,118</u>
Total Liabilities	<u>\$ 1,869,094</u>

The notes to the basic financial statements are an integral part of this statement.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Lancaster County School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Reporting Entity

Lancaster County School District (the "District") operates under the direction of an elected Board of Trustees, with a superintendent serving as the chief administrative officer, and provides education services to approximately 12,000 students in the County of Lancaster, South Carolina. The District does not exercise control over any other governmental agencies or authorities.

Effective July 1, 1997, the District became fiscally independent and is no longer considered a component unit of Lancaster County. As such, the Lancaster County School District is the basic level of government which has financial accountability and control over all activities related to the public school education in the County of Lancaster, South Carolina. The District receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since District Board of Trustees members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Discretely Presented Component Unit: The component unit column in the basic financial statements includes the financial data of the District's component unit, The Discovery Charter School (the "Charter School"). A charter school is considered a public school and is part of Lancaster County School District for the purposes of state law and state constitution. Because the charter school is fiscally dependent on the District and exclusion of the charter school would cause the District's financial statements to be incomplete, the financial statements of the charter school are included in those of the District. The charter school is presented as a governmental fund type. It is administered and governed by its governing body as agreed to by the charter applicant and the District. The South Carolina State Department of Education regulations require that charter schools be discretely presented in the financial statements, but blended with the School District balances in the supplementary schedules. All accounting policies and reporting requirements applicable to the District were equally adopted at the Charter School reporting level. The separately issued financial statements of The Discovery School may be obtained from its administrative office at 302 W. Dunlap St., Lancaster, SC 29720.

Blended Component Units: Lancaster Education Assistance Program, Inc. ("LEAP") is a not-for-profit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a "support organization" for capital projects of the District. LEAP board members are appointed by the Board of the District. Because LEAP exclusively benefits the District, the LEAP financial information is blended with that of the District in these basic financial statements. Separate LEAP financial information is included in individual columns throughout the financial statements. Complete, separately issued financial statements may be obtained from the Lancaster Education Assistance Program, Inc. 300 South Catawba Street, Lancaster, SC 29720.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In accordance with GASBS No. 61, *The Financial Reporting Entity*, the District evaluated its current and potential component units and made the determination that The Discovery School and LEAP are the only two component units required to be included in its financial statements at June 30, 2015.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide basic financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District (the primary government) and its component units. As a general rule, the effect of interfund activity has been eliminated from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government, the District, is reported separately from certain legally separate component units for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year for which all eligibility requirements have been met. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as does the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Investment earnings and intergovernmental revenues received from Lancaster County are accrued because they are measurable at year-end and are collected within 60 days after year-end. Most other intergovernmental revenues are not susceptible to accrual because they generally are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets plus deferred outflows less total liabilities and deferred inflows) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The governmental fund basic financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered "Measurable" when transferred to the District's account by the County Treasurer and are recognized at that time. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as needed.

Fund basic financial statements report detailed information about the District. The focus of governmental and enterprise fund basic financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Fiduciary funds are reported by fund type.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The following major funds and fund types are used by the District.

Governmental Fund Types are those through which most governmental functions of the District are financed. The District's expendable financial resources and related assets and liabilities (except for those accounted for in the Proprietary Fund) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the District's major fund types:

The General Fund, a major fund, is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes that are received on the basis of projects approved by various authorizing agencies which are not budgeted in General Fund operations. The majority of the monies for approved projects are received pursuant to federal legislation and the Education Improvement Act. The allowable expenditures of the projects are specified in the enabling legislation and related regulation, and may not be used to supplant District expenditures which would otherwise have been made.

The Special Projects Fund, a major fund, is used to account for financial resources provided by federal, state and local projects and grants.

The Education Improvement Act (EIA) Fund, a major fund, is used to account for the revenues from the South Carolina Education Improvement Act of 1984, which is legally required by the State to be accounted for as a specific revenue source.

The Debt Service Fund – District, a major fund, is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Debt Service Fund – LEAP, a major fund, is used to account for the accumulation of resources for, and the payment of, all long-term debt principal, interest and related costs for LEAP.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Capital Projects Fund – District, a major fund, is used to account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays except for those financed in the Enterprise Fund and the LEAP Capital Projects Fund.

The Capital Projects Fund – LEAP, a major fund, is used to account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays for LEAP.

Proprietary Fund Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund are food service charges. Operating expenses for the District's Enterprise Fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types include the following fund:

The Food Service Fund is an enterprise fund and is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund Types are used to account for expendable assets held by the District in a trustee capacity or as an agent for individuals, private organizations or governmental units and/or other funds to include Agency funds. Fiduciary fund types include the following fund:

Agency Fund - The District's Pupil Activity Funds are established as agency funds of the schools to account for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for general operation of the District. This accounting reflects the agency relationship of the District to the student activity organizations.

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the School District. Fiduciary funds are reported by fund type.

Budgets and Budgetary Accounting

Annual budgets and formal budgetary integration are employed as management control devices during the year for the General Fund, Special Revenue Fund, and Debt Service Fund. The General Fund is the only fund with a legally adopted budget. Capital projects are budgeted on a long-term project basis, rather than annual appropriations. The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The School District presents a formal General Fund budget to the school board prior to year-end and the final budget is approved prior to July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Any General Fund budget revision between major allocations throughout the year must be approved by the Board of Trustees.
3. Budgets are adopted for Special Revenue Fund projects through the submission of a project application and the subsequent approval of the application by the appropriate authorizing agency.
4. Budgets are adopted on the modified accrual basis of accounting for the General and Special Revenue Fund, and are consistent with U. S. generally accepted accounting principles.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund expenditures may not legally exceed budgeted appropriations at the major component level unless in a supplementary action, the Board then can approve an increase or decrease to the major component within the legal level of control. The General Fund budget as presented herein has been amended from that originally adopted.

The Board of Trustees of Lancaster County School District delegates to management the authority, within the General Fund, to transfer funds within individual components. Budgetary control is on the component level. Budget transfers are approved as follows:

1. Initial approval by the respective department head or principal.
2. Final approval by the Chief Financial Officer.

The budgets are prepared on a basis consistent with actual financial statement presentation to provide meaningful comparisons. Appropriations lapse at the end of the fiscal year.

The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrance accounting is used for the General Fund, Special Revenue Fund and Capital Project Fund. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances lapse at year end, except for the General Fund, which is carried forward as assigned fund balance until liquidated.

Cash Equivalents and Investments

The District's cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the District records its investments at fair value. The State Treasurer's Investment Pool operates in accordance with the appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Accounts Receivable

Accounts receivable consists of property taxes levied against Lancaster County taxpayers. Accounts receivable also include amounts due from the Federal government, State and Local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible amounts are shown net of an allowance for doubtful accounts. This amount is determined by analyzing the percentage of receivables that were not collected in prior years.

Inventories

Under the system of accounting for inventories, materials and supplies are carried in an inventory account at cost, using the first-in, first-out method of accounting and are subsequently charged to expense when consumed. Inventories include food, supplies and commodities. An amount for commodities received from the USDA, but not consumed as of June 30, 2015, has been recorded at fair market value as provided by the United States Department of Agriculture.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost equal to or more than \$5,000 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$5,000 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building and Site Improvements	20
Furnishings	20
Furniture and Equipment	10
Vehicles	10
Technology Equipment	7
Library Book Collections	5

Proprietary Fund equipment purchases are capitalized in the Proprietary Fund at cost and depreciated on a straight-line basis over 12 years at the rate of 8.33% per year.

Unearned Revenue

Unearned revenues in the governmental funds include amounts received from grant and contract sponsors that have not yet been earned. These unearned revenues from grants are considered to be a liability to the District rather than deferred inflows of resources since the eligibility requirements of the grants have not been met.

Compensated Absences

Compensated absences are absences for which employees will be paid. A liability for compensated absences is accrued as employees earn the rights to the benefits.

District employees can accumulate sick leave up to ninety days for payment at a specified rate upon retirement, provided they have accumulated at least sixty days. Vested sick leave pay is recorded as an expenditure in the current year to the extent it is paid during the year.

The District has established a "sick leave bank" governed by an elected board for the purpose of extending additional sick leave to employees that have exhausted all available leave during catastrophic times. Membership is optional and requires an employee giving one day of their sick leave to join. Days given are approved by the Board and maximum leave an employee can take in any year is 90 days. Due to the uncertainty of the timing and value of the days to be granted, the liability to the District is considered to be immeasurable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period that long-term bonds are issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 entitled *Accounting and Financial Reporting for Pension Plans* in June 2012. The disclosure requirements applicable to employers participating in the South Carolina Retirement System or the Police Officers Retirement System are prescribed in paragraphs 48 through 82 of GASB 68. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System and additions to/deductions from the South Carolina Retirement System's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position (Deficit)

The District's net position (deficit) in the government-wide financial statements is classified as follows:

Net Investment in Capital Assets: This represents the District's total investments in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted Net Position - Expendable: Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by third parties.

Restricted Net Position - Non-Expendable: Non-expendable restricted net position consists of funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted Net Position (Deficit): Unrestricted net position (deficit) represents resources derived from ad valorem taxes, earnings on investments, various local and state unrestricted grants, contracts and revenues net of the District's proportionate share of the outstanding net pension obligation from its retirement systems.

Classification of Fund Balances

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in a spendable form or are required to be maintained in tact;

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grants, bondholders and higher levels of government) through constitutional provisions or enabling legislation;

Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, which is the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint;

Assigned fund balance - amounts the District intends to use for a specific purpose; The District's policy states that the Board of Trustees or an official to which the Board of Trustees delegate authority to, must approve the assignments of any fund balance;

Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

It is the District's policy to apply restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. For the unrestricted fund balances when committed, assigned or unassigned resources are available for use, it is the District's policy to use committed, assigned, and unassigned resources, in this order.

At June 30, 2015, the District's assigned fund balance in the General Fund consists of subsequent year expenditures and encumbered operating school expenditures in the amounts of \$3,058,770 and \$39,411, respectively. These assigned balances were approved by the District's Board of Trustees.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District along with other school districts within the state are insured under the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance fund. The District pays annual premiums to the Insurance Reserve Fund for its general insurance coverage. The Insurance Reserve Fund is self-sustaining through member premiums and by purchases of commercial insurance coverage on a portion of its liabilities. There have been no significant reductions in insurance coverage from the prior year. The District has not incurred any material claims during the past three fiscal years.

The District continues to carry insurance for other risks of loss including employee health, dental, group life, and accident insurance through the State of South Carolina. The State accumulates assets to cover risks that its members incur in their normal operations. Specifically, the State assumes substantially all of the risk for the above.

NOTE 2 STEWARDSHIP, COMPLIANCE AND RESPONSIBILITY

Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Excess of Expenditures Over Appropriations

The legal level of budgetary control is at the function level. This is the level at which expenditures should not exceed appropriations. For the fiscal year ended June 30, 2015, the District had no excess of expenditures over appropriations at this level.

NOTE 3 DEPOSITS AND INVESTMENTS

All of the District's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the District's agent in the District's name. Under the Pooling Method, uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the District, these deposits are considered to be held by the District's agent in the District's name. The amount of the pledged collateral is based on an approval averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the District or the escrow agent. Because of the inability to measure the exact amount of collateral pledged on behalf of the District under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of South Carolina enforces strict standards of financial accountability for each depository electing the Pooling Method.

Investments

The District is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Savings and loan associations to the extent they are secured by the Federal Deposit Insurance Corporation;
4. Certificates of Deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian;
5. Repurchase agreements if properly collateralized.

As of June 30, 2015, the District had the following investments, which meet the above requirements:

Investment Type	Credit Rating	Fair Market Value	Weighted Average Maturity (Years)
SC Treasurer's Investment Pool	Unrated	\$ 25,942,253	Less than 1 year

The total above includes investments in the General Fund and Pupil Activity Fund in the amounts of \$24,933,783 and \$1,008,470, respectively.

Custodial Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy to have all amounts over FDIC coverage collateralized with U.S. Treasuries by the District's Agent, in the District's name. Custodial credit risk for investments is the risk that, in the event of a failure, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2015, the District had no exposure to custodial credit risk.

Interest Rate Risk – The District does not have a formal policy limiting investment maturities that would manage its exposure to fair value losses from increasing interest rates.

Concentration of Credit Risk – The District places no limit on the amount it may invest in any one issuer.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 4,619,029			\$ 4,619,029
Construction in Progress	13,702,990	\$ 1,913,215	\$ (13,622,019)	1,994,186
Total Capital Assets Not Being Depreciated	18,322,019	1,913,215	(13,622,019)	6,613,215
Capital Assets Being Depreciated:				
Buildings and Improvements	158,982,803	15,831,387	(25,297)	174,788,893
Furniture and Equipment	6,634,293	2,044,431	(87,368)	8,591,356
Total Capital Assets Being Depreciated	165,617,096	17,875,818	(112,665)	183,380,249
Less Accumulated Depreciation for:				
Buildings and Improvements	(55,302,913)	(4,305,667)	25,297	(59,583,283)
Furniture and Equipment	(4,347,040)	(623,698)	44,607	(4,926,131)
Total Accumulated Depreciation	(59,649,953)	(4,929,365)	69,904	(64,509,414)
Total Capital Assets Being Depreciated, Net	105,967,143	12,946,453	(42,761)	118,870,835
Governmental Activities Capital Assets, Net	124,289,162	14,859,668	(13,664,780)	125,484,050
Business-Type Activities:				
School Food Service Fund:				
Capital Assets Being Depreciated:				
Property and Equipment	\$ 1,959,340	\$ 693,178	\$ (40,366)	\$ 2,612,152
Less Accumulated Depreciation for:				
Property and Equipment	(1,427,737)	(113,863)	39,381	(1,502,219)
Business-Type Activities Capital Assets, Net	531,603	579,315	(985)	1,109,933

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 1,641,479
Support	3,287,886
Total Depreciation - Governmental Activities	<u>4,929,365</u>
Business-Type Activities:	
Food Service	\$ 113,863
Total Depreciation - Business-Type Activities	<u>113,863</u>

Construction Commitments

The District has several ongoing construction projects as of June 30, 2015, consisting primarily of capital projects. The projects include renovations at existing schools. Total outstanding construction commitments at June 30, 2015, are approximately \$2,644,269.

NOTE 5 PROPERTY TAXES

Property taxes are levied by Lancaster County (the County) on real and personal properties owned on the preceding January 1 of each fiscal year ended June 30. Liens are attached to the property at the time the taxes are levied, which usually occurs in November of each year. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

January 16 through February 16 - 3% of Tax
February 16 through March 15 - 8% of Tax
After March 15 - 13% of Tax plus Collection Cost

Current year real and personal property taxes become delinquent on April 1. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

The revised assessed value of the certified roll, upon which the levy for the 2015 fiscal year was based, was \$312,113,026. The millage rate charged for the District was 149.5 mills for current operations and 43.0 mills for Debt Service.

In June of 2006, Act 388 created a new Homestead Exemption Fund (the "Homestead Exemption Fund") which is funded from the additional one cent sales tax imposed by Act 388 and the amounts previously designated for the Property Tax Relief Exemption will be applied to such Homestead Exemption Fund. Act 388 provides a third exemption for one hundred percent of the fair market value of owner occupied residential property, to the extent not already covered by the Property Tax Relief Exemption, from all property taxes imposed for school operating purposes but not including millage imposed for the repayment of general obligation debt for property tax years beginning after January 1, 2007.

NOTE 6 DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has items that qualify for reporting in this category. One is the unamortized loss on refunding – debt defeasance in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. For the other items in relation to the District's proportionate share of the SCRS net pension liability, see Note 9 for Pension Plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. This amount of unavailable revenues from property taxes is deferred and recognized as an inflow of resources in the period that the amount becomes available. The District has another item reported in the government-wide statement of net position in relation to its proportionate share of the SCRS net pension liability, see Note 9 for Pension Plans.

NOTE 7 SHORT-TERM OBLIGATIONS

Short-Term Obligations	June 30, 2014	Additions	Reductions	June 30, 2015
Governmental Activities:				
Bond Anticipation Note	\$ 1,067,000	\$ 10,535,000	\$ 10,527,000	\$ 1,075,000
Total Governmental Activities	<u>1,067,000</u>	<u>10,535,000</u>	<u>10,527,000</u>	<u>1,075,000</u>

The District issued a Bond Anticipation Note on May 14, 2015 of \$1,075,000. The note is due and payable on October 14, 2015 at an interest rate of 0.55%.

The District issued \$9,460,000 of general obligations bonds during the fiscal year for the primary purpose of making payments to LEAP with excess funds being used for capital projects. These bonds were retired utilizing debt service fund property tax revenues.

NOTE 8 LONG-TERM OBLIGATIONS

Bonds payable consisted of the following at June 30, 2015:

General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Balance June 30, 2015
District:					
Series 2009A (Refunding)	04-01-2009	\$ 18,255,000	3.00 - 4.00%	03-01-2019	\$ 10,515,000
Series 2012	09-27-2012	21,720,000	2.00 - 5.00%	03-01-2021	8,560,000
LEAP:					
Series 2013A (Taxable Bond)	05-17-2013	23,810,000	0.60 - 2.46%	12-31-2020	20,240,000
Series 2013B (Refunding)	05-17-2013	36,545,000	3.00 - 5.00%	12-01-2028	<u>36,545,000</u>
Total General Obligation Bonds					<u>75,860,000</u>

The District has continuous authority to issue general obligation bonds each calendar year, subject to a constitutional debt limit equal to 8% of the assessed valuation of property subject to levy by the District, applicable to debt issued subsequent to November 30, 1982. At June 30, 2015, the District is within its debt limit.

General Fund resources typically have been used in prior years to liquidate compensated absences payable and the debt service funds have been used to liquidate all other long-term obligations.

The LEAP Series 2004 Bonds that were refunded in 2013 were originally issued to finance the cost of acquiring, constructing, renovating and installing educational facilities (the "Capital Projects") sold by LEAP to the District pursuant to a school Facilities Purchase and Occupancy Agreement, dated November 1, 2004. This agreement between the District and LEAP is still in effect at June 30, 2015.

The LEAP bonds are not a debt of the District; however, as LEAP is blended with the operations of the District, the debt of LEAP is included with the District's other obligations as required by GAAP.

The District was awarded a grant from the SC Energy Office during fiscal year 2010-2011 with part of the award being an issuance of a loan at 25 percent of the total award. The loan has zero percent interest and must be paid back in equal installments with the final payment due on November 1, 2014. The note payable was paid in full as of June 30, 2015.

NOTE 8 LONG-TERM OBLIGATIONS (Continued)

The following is a summary of changes in the District's long-term obligations for the year ended June 30, 2015:

	June 30, 2014	Additions	Reductions	June 30, 2015	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 24,030,000		\$ (4,955,000)	\$ 19,075,000	\$ 3,880,000
Premium	1,119,199		(152,921)	966,278	152,921
LEAP General Obligation Bonds	59,030,000		(2,245,000)	56,785,000	2,215,000
Premium	5,996,062		(432,010)	5,564,052	432,010
Note Payable - SC Energy	18,406		(18,406)	-	-
Compensated Absences	1,142,388	\$ 670,749	(600,303)	1,212,834	485,133
Government Activities Long-Term Liabilities	91,336,055	670,749	(8,403,640)	83,603,164	7,165,064

Interest paid on the debt issued by the District is normally exempt from federal income tax. The District sometimes temporarily reinvests the proceeds of such tax-exempt debt in materially higher-yielding taxable securities, primarily during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings resulting from arbitrage must be rebated to the federal government on the fifth anniversary of the issuance of the tax-exempt debt and every five years thereafter until the debt has been repaid, in accordance with the arbitrage regulations. The District has no arbitrage liability outstanding at June 30, 2015.

The annual requirements for debt service on bonds outstanding at June 30, 2015, are summarized as follows:

Year Ended June 30:	Principal	Interest	Total
2016	\$ 6,095,000	\$ 2,791,535	\$ 8,886,535
2017	6,385,000	2,611,132	8,996,132
2018	6,500,000	2,412,419	8,912,419
2019	6,700,000	2,201,346	8,901,346
2020	6,755,000	1,975,702	8,730,702
2021-2025	30,925,000	6,360,469	37,285,469
2026-2029	12,500,000	625,097	13,125,097
Totals	75,860,000	18,977,700	94,837,700

NOTE 9 PENSION PLANS**General Information about the Pension Plans**

The District participates in the South Carolina Retirement System (SCRS), the State Optional Retirement Program (State ORP), and the South Carolina Police Officers Retirement System (PORS). The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available of the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

NOTE 9 PENSION PLANS (Continued)

Plan Descriptions

The South Carolina Retirement System (SCRS), a cost-sharing multiple employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

Employees eligible for service retirement may participate in the Teacher and Employee Retention Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. TERI participants with retirement dates on or after July 1, 2005, make the same pre-tax contributions to the SCRS as active members. In addition, they are eligible to receive group life insurance benefits, but are ineligible to receive service credit or disability retirement benefits. The TERI program will be closed effective June 30, 2018; therefore, only those participants that enter the program beginning July 1, 2013 will be eligible to participate in the program for five full years.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a class Three member.
- State ORP – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected in the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (8 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (5.75 percent) and an incidental death benefit contribution (.15 percent), if applicable, which is retained by SCRS.

NOTE 9 PENSION PLANS (Continued)

- **PORS** – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by state statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits Provided

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

- **SCRS** – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- **PORS** – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTE 9 PENSION PLANS (Continued)

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on a basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee or employer contributions provided in the statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

- Required **employee** contribution rates for fiscal year 2014-2015 are as follows:

SCRS

Employee Class Two	8.00% of earnable compensation
Employee Class Three	8.00% of earnable compensation

State ORP Employee

8.00% of earnable compensation

PORS

Employee Class One	\$21 per month
Employee Class Two	8.41% of earnable compensation
Employee Class Three	8.41% of earnable compensation

- Required **employer** contribution rates for fiscal year 2014-2015 are as follows:

SCRS

Employer Class Two	10.75% of earnable compensation
Employer Class Three	10.75% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
Retiree Insurance Surcharge	5.00% of earnable compensation

State ORP Employee

Employer Contribution	10.75% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
Retiree Insurance Surcharge	5.00% of earnable compensation

PORS

Employer Class One	7.80% of earnable compensation
Employer Class Two	13.01% of earnable compensation
Employer Class Three	13.01% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation
Retiree Insurance Surcharge	5.00% of earnable compensation

Of the employer contribution of 10.75% for State ORP, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to SCRS.

The District contributed 100% of the required contributions for the current year and each of the two preceding years.

NOTE 9 PENSION PLANS (Continued)

The District's contributions to the SCRS and PORS for the last three fiscal years were as follows:

SCRS	2015	2014	2013
Employee Contributions	\$ 4,588,880	\$ 4,197,093	\$ 3,805,696
Employer Contributions	6,505,882	6,146,108	5,983,691
Employer Group Life Contributions	94,586	91,806	89,528
Employer Retiree Insurance Surcharge	3,152,872	3,011,242	2,715,682
Total	14,342,220	13,446,249	12,594,597

PORS			
Employee Contributions	\$ 6,277	\$ 2,660	\$ 3,428
Employer Contributions	9,710	4,221	5,828
Employer Group Life Contributions	299	136	196
Employer Retiree Insurance Surcharge	3,732	1,669	2,228
Total	20,018	8,686	11,680

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported its total net pension liability of \$111,656,344, including the proportionate share under governmental activities of \$109,450,842 for SCRS and \$54,006 for PORS and the proportionate share under business-type activities of \$2,151,496 for SCRS. The net pension liability of each defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2013, using membership as of that date projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. At June 30, 2015, the District's proportions were 0.648222% and 0.00282% for SCRS and PORS, respectively.

For the year ended June 30, 2015, the District recognized total pension expense of \$7,826,780, including \$7,671,260 for SCRS and \$4,725 for PORS under governmental activities and \$150,795 for SCRS under business-type activities. At June 30, 2015, the District reported total deferred outflows of resources and deferred inflows of resources related to pensions for both governmental and business-type activities from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,162,341	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 9,408,891
Direct Contributions Subsequent to the Measurement Date	6,600,468	
Total	9,762,809	9,408,891

PORS		
Differences Between Expected and Actual Experience	\$ 1,441	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 6,249
Direct Contributions Subsequent to the Measurement Date	10,009	
Total	11,450	6,249

NOTE 9 PENSION PLANS (Continued)

The amounts of \$6,473,223 for SCRS and \$10,009 for PORS reported under governmental activities and \$127,245 reported under business-type activities as deferred outflows of resources relate to District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plans at the measurement date was 4.233 years for SCRS and 4.856 years for PORS.

Measurement Period Ending June 30,	SCRS	PORS
2015	\$ (1,475,679)	\$ (990)
2016	(1,475,679)	(990)
2017	(1,475,679)	(990)
2018	(1,475,679)	(990)
Thereafter	(343,834)	(848)
Net Balance of Deferred Outflows/(Inflows) of Resources	(6,246,550)	(4,808)

Actuarial Assumptions

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The most recent actuarial valuation reports adopted by PEBA Board and Budget and Control Board are as of July 1, 2013. The following provides a summary of the actuarial assumptions and methods used in the July 1, 2013, valuations for SCRS and PORS:

	SCRS	PORS
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	Levels off at 3.5%	Levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefits adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters, and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

NOTE 9 PENSION PLANS (Continued)**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

			Long Term
		Expected	Expected
Asset Class	Target Asset Allocation	Arithmetic Real Rate of Return	Portfolio Real Rate of Return
Short Term	5.0%		
Cash	2.0%	0.3	0.01
Short Duration	3.0%	0.6	0.02
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	1.1	0.08
High Yield	2.0%	3.5	0.07
Bank Loans	4.0%	2.8	0.11
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	0.8	0.02
Emerging Markets Debt	6.0%	4.1	0.25
Global Public Equity	31.0%	7.8	2.42
Global Tactical Asset Allocation	10.0%	5.1	0.51
Alternatives	32.0%		
Hedge Funds (Low Beta)	8.0%	4.0	0.32
Private Debt	7.0%	10.2	0.71
Private Equity	9.0%	10.2	0.92
Real Estate (Broad Market)	5.0%	5.9	0.29
Commodities	3.0%	5.1	0.15
Total Expected Real Return	100.0%		5.88
Inflation for Actuarial Purposes			2.75
Total Expected Nominal Return			8.63

NOTE 9 PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 144,420,331	\$ 111,602,338	\$ 84,222,718
PORS	\$ 75,467	\$ 54,006	\$ 36,243

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

Payables to the Pension Plan

As of June 30, 2015, the District had \$1,241,635 in payables outstanding to the pension plans for its legally required contributions.

NOTE 10 INTERFUND TRANSFERS

During the course of normal operations, the District has numerous transactions between funds to provide services, construct assets, service debts, etc. These transactions are generally reflected as transfers. Total transfers during the year ended June 30, 2015, consisted of the following individual fund amounts:

	Transfers In	Transfers Out
General Fund	\$ 2,729,683	
Special Projects Fund		\$ (254,790)
EIA Fund		(2,141,106)
Debt Service Fund		(9,460,000)
Debt Service Fund - LEAP	4,369,721	
Capital Projects Fund	5,090,279	
Proprietary Fund		(333,787)
Total	12,189,683	(12,189,683)

NOTE 10 INTERFUND TRANSFERS (Continued)

As of June 30, 2015, amounts due from (to) other funds related to the District's pooled cash are as follows:

	General Fund	Special Projects	EIA Fund	Capital Projects	Proprietary Fund	Total
Due From:						
General Fund			\$ 363,770	\$ 2,221,362		\$ 2,585,132
Special Projects Fund	\$ 1,728,410					1,728,410
Proprietary Fund	387,233					387,233
	<u>2,115,643</u>	<u>-</u>	<u>363,770</u>	<u>2,221,362</u>	<u>-</u>	<u>4,700,775</u>
Due to:						
General Fund		\$ 1,728,410			\$ 387,233	2,115,643
EIA Fund	363,770					363,770
Capital Projects	2,221,362					2,221,362
	<u>2,585,132</u>	<u>1,728,410</u>	<u>-</u>	<u>-</u>	<u>387,233</u>	<u>4,700,775</u>
	<u>(469,489)</u>	<u>(1,728,410)</u>	<u>363,770</u>	<u>2,221,362</u>	<u>(387,233)</u>	<u>-</u>

NOTE 11 RECEIVABLES/ALLOWANCE FOR DOUBTFUL ACCOUNTS

The amount presented in the statement of net position for property taxes is net of the following allowance for doubtful accounts:

Property Taxes, Current	\$ 4,213,123
Allowance for Doubtful Accounts	<u>(1,474,593)</u>
Property Taxes, Current	<u><u>2,738,530</u></u>

NOTE 12 COMMITMENTS AND CONTINGENCIES

The District participates in a number of state and federally assisted programs which are subject to program compliance audits by the State or Federal Government and their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

In the ordinary course of business the District may become party to lawsuits. In order to protect the District against potential losses that may arise in connection with a lawsuit, management has procured various insurance policies and coverages. The District has not incurred any significant claims or uninsured losses in the three years ending June 30, 2015.

NOTE 13 CONCENTRATIONS OF CREDIT RISK AND OTHER CONCENTRATIONS

Financial instruments which potentially subject the District to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

The District's cash and cash equivalents are placed with various financial institutions and the State of South Carolina. The deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per insured financial institution (See Note 3). Consistent with the District's mission to provide accessible educational services, credit is granted in the normal course of business. Collections of these receivable amounts are directly affected by certain economic conditions.

The District provides educational and instructional services to the residents of Lancaster County. In fulfilling its mission, the District relies significantly on Federal and State grants as well as local tax revenues. Any material reductions in these revenue sources could adversely impact the District's future financial condition.

NOTE 14 LEGAL COMPLIANCE

All schedules and exhibits are presented in the level of detail as required by the South Carolina State Department of Education.

NOTE 15 FUNDING FLEXIBILITY

The State of South Carolina passed a Joint Resolution to provide funding flexibility for the fiscal year ended June 30, 2015. Under the resolution, school districts may transfer revenue between programs to any instructional program with the same funding source and may make expenditures for instructional programs and essential operating costs from any state source without regard to fund type except school building bond funds. Certain funds and other exceptions apply. The District did not utilize this flexibility for the current fiscal year as allowed under the Joint Resolution. As a result, there was no impact of applying funding flexibility to the District's General Fund.

NOTE 16 SUBSEQUENT EVENTS

Debt Issuance - The District issued \$15,545,000 in General Obligation Bonds on October 8, 2015. The bond has stated interest rate of 5.0% and sold at a premium of \$522,421. The final principal and interest payments for the long-term general obligation bonds are due on March 1, 2018.

The District evaluated the effects of these subsequent events would have on the financial statements through the date of the auditors' report, which is the date the financial statements were available for issuance.

NOTE 17 RESTATEMENT OF NET POSITION

Effective July 1, 2014, the District adopted GASB Statement 68 "Accounting and Financial Reporting for Pensions". As a result of implementing GASBS 68, the District recorded a total net pension liability in the amount of \$116,326,382 as of June 30, 2013, which comprises the District's proportionate share of the net pension liability reported under governmental activities for the SCRS of \$114,026,464 and the PORS of \$58,479 and the net pension liability for the SCRS reported under business-type activities of \$2,241,439. The effect on this net pension liability reduced the net position of the District's governmental activities by \$107,959,798 and business-type activities by \$2,121,124 (net of \$6,125,145 and \$120,315, respectively, which represents employer contributions to the retirement systems during the fiscal year June 30, 2014).

Governmental Activities:

Net Position June 30, 2014	\$ 70,568,536
Adjust for Net Pension Liability as of June 30, 2014	<u>(107,959,798)</u>
Restated - Net position (Deficit) July 1, 2014	<u><u>(37,391,262)</u></u>

Business-type Activities:

Net Position June 30, 2014	\$ 1,742,240
Adjust for Net Pension Liability as of June 30, 2014	<u>(2,121,124)</u>
Restated - Net position (Deficit) July 1, 2014	<u><u>(378,884)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund			
	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Local	\$ 26,192,471	\$ 26,315,805	\$ 27,234,898	\$ 919,093
State	52,992,325	54,849,063	54,845,342	(3,721)
Total Revenues	<u>79,184,796</u>	<u>81,164,868</u>	<u>82,080,240</u>	<u>915,372</u>
Expenditures				
Current:				
Instruction	50,680,899	50,885,292	50,248,822	636,470
Support Services	32,605,004	32,646,550	31,385,508	1,261,042
Intergovernmental	817,939	821,747	840,068	(18,321)
Total Expenditures	<u>84,103,842</u>	<u>84,353,589</u>	<u>82,474,398</u>	<u>1,879,191</u>
Excess Revenues Over (Under) Expenditures	<u>(4,919,046)</u>	<u>(3,188,721)</u>	<u>(394,158)</u>	<u>2,794,563</u>
Other Financing Sources (Uses)				
Operating Transfers from Other Funds	2,263,002	2,201,803	2,503,474	301,671
Total Other Financing Sources (Uses)	<u>2,263,002</u>	<u>2,201,803</u>	<u>2,503,474</u>	<u>301,671</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (2,656,044)</u>	<u>\$ (986,918)</u>	<u>\$ 2,109,316</u>	<u>\$ 3,096,234</u>
Fund Balance, Beginning of Year			<u>18,653,099</u>	
Fund Balance, End of Year			<u>\$ 20,762,415</u>	

Note: The General Fund budget is presented on the modified accrual basis of accounting, which is consistent with U.S. generally accepted accounting principles.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - SCRS AND PORS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
SCRS										
District's proportion of the net pension liability (asset)	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	\$ 111,602,338
District's proportionate share of the net pension liability (asset)	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	0.648222%
District's covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	\$ 63,057,436
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	176.99%
Plan fiduciary net position as a percentage of the total pension liability	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	59.90%
PORS										
District's proportion of the net pension liability (asset)	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	\$ 54,006
District's proportionate share of the net pension liability (asset)	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	0.002820%
District's covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	\$ 74,638
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	72.36%
Plan fiduciary net position as a percentage of the total pension liability	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	67.50%
N/A* - Not Available										

Note:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Source: Audit report of employer allocations of the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS), as administered by the SC Public Employee Benefit Authority for the year ended June 30, 2014.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF DISTRICT CONTRIBUTIONS - SCRS AND PORS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
SCRS										
Contractually required contribution	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	\$ 6,600,468
Contributions in relation to the contractually required contribution	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	(6,600,468)
Contribution deficiency (excess)	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	\$ -
District's covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	63,057,436
Contributions as a percentage of covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	10.47%
PORS										
Contractually required contribution	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	\$ 10,009
Contributions in relation to the contractually required contribution	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	(10,009)
Contribution deficiency (excess)	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	\$ -
District's covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	\$ 74,638
Contributions as a percentage of covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	13.41%
N/A* - Not Available										

Note:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Source: District quarterly retirement contribution reports.

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**COMBINING AND INDIVIDUAL
FUND SCHEDULES**

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GENERAL FUND

Accounts for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or for which the District collects other funds in a fiduciary capacity. Operational expenditures for general education, support services and other departments of the District are paid through the General Fund.

The following Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the statement are also mandated by the South Carolina Department of Education.

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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2015**

Assets

Cash & Cash Equivalents	\$ 3,489,233
Investments	24,933,783
Property Tax Receivable	47,910
Due From Pupil Activities	454,976
Due From County Government	511,891
Due From State Government	291,011
Due From Other Governmental Units	842,859
Other Receivables	<u>100,778</u>

Total Assets	\$ 30,672,441
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Liabilities & Fund Balances

Liabilities

Accounts Payable	2,116,061
Accrued Salaries	4,452,813
Accrued Payroll Related Liabilities	2,871,663
Due To Other Funds	<u>469,489</u>

Total Liabilities	<u>9,910,026</u>
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Fund Balances

Assigned	3,098,181
Unassigned	<u>17,664,234</u>

Total Fund Balances	<u>20,762,415</u>
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Total Liabilities & Fund Balances	<u>\$ 30,672,441</u>
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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from Local Sources			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 23,714,417	\$ 24,256,928	\$ 542,511
1140 Penalties & Interest on Taxes (Independent)	175,000	190,211	15,211
1200 Revenue From Local Governmental Units Other Than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,925,788	2,105,780	179,992
1300 Tuition:			
1310 From Patrons for Regular Day School	5,600	10,671	5,071
1320 From Other LEAs for Regular Day School	-	13,036	13,036
1350 From Patrons for Summer School	-	3,000	3,000
1500 Earnings on Investments:			
1510 Interest on Investments	25,000	45,675	20,675
1900 Other Revenue from Local Sources:			
1910 Rentals	20,000	15,745	(4,255)
1930 Medicaid	450,000	561,373	111,373
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	1,664	1,664
1999 Revenue from Other Local Sources	-	30,815	30,815
Total Local Sources	26,315,805	27,234,898	919,093
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	14,363	14,363
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	460,226	594,382	134,156
3161 EAA Bus Driver Salary and Fringe	-	2,696	2,696
3162 Transportation Workers' Compensation	43,076	43,076	-
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	11,392,222	11,392,222	-
3181 Retiree Insurance (No Carryover Provision)	2,428,218	2,428,218	-
3199 Other Restricted State Grants	-	3,317	3,317
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	1,593,583	1,571,713	(21,870)
3312 Primary	4,324,367	4,322,399	(1,968)
3313 Elementary	6,375,187	6,347,168	(28,019)
3314 High School	2,215,038	2,137,488	(77,550)
3315 Trainable Mentally Handicapped	136,914	136,275	(639)
3316 Speech Handicapped (Part-Time Program)	839,163	852,708	13,545
3317 Homebound	7,719	24,637	16,918
3320 Part-Time Programs:			
3321 Emotionally Handicapped	150,541	143,565	(6,976)
3322 Educable Mentally Handicapped	167,757	166,286	(1,471)
3323 Learning Disabilities	2,926,964	2,956,287	29,323
3324 Hearing Handicapped	109,035	105,167	(3,868)
3325 Visually Handicapped	68,136	76,451	8,315
3326 Orthopedically Handicapped	77,155	61,151	(16,004)
3327 Vocational	3,640,206	3,610,012	(30,194)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
3330 Miscellaneous EFA Programs:			
3331 Autism	\$ 321,162	\$ 331,540	\$ 10,378
3332 High Achieving Students	322,413	328,034	5,621
3334 Limited English Proficiency	238,312	244,408	6,096
3351 Academic Assistance	543,609	543,529	(80)
3352 Pupils in Poverty	2,599,054	2,586,923	(12,131)
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	3,724,743	3,724,743	-
3820 Homestead Exemption (Tier 2)	1,189,965	1,189,965	-
3825 Reimbursement for Property Tax Relief (Tier 3)	8,377,161	8,381,900	4,739
3830 Merchant's Inventory Tax	185,886	185,886	-
3840 Manufacturer's Depreciation Reimbursement	197,661	93,901	(103,760)
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	178,590	203,288	24,698
3900 Other State Revenue:			
3999 Revenue From Other State Sources	15,000	41,644	26,644
Total State Sources	54,849,063	54,845,342	(3,721)
Total Revenues All Sources	81,164,868	82,080,240	915,372
Expenditures			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs:			
100 Salaries	2,684,795	2,684,786	9
200 Employee Benefits	1,098,890	1,062,422	36,468
400 Supplies and Materials	30,777	30,636	141
112 Primary Programs:			
100 Salaries	5,938,125	5,934,818	3,307
200 Employee Benefits	2,211,206	2,135,064	76,142
300 Purchased Services	1,798	1,798	-
400 Supplies and Materials	91,932	91,417	515
113 Elementary Programs:			
100 Salaries	11,120,268	11,120,176	92
200 Employee Benefits	4,004,905	3,893,704	111,201
300 Purchased Services	149,733	124,696	25,037
400 Supplies and Materials	218,571	216,918	1,653
600 Other Objects	20,050	13,183	6,867
114 High School Programs:			
100 Salaries	8,576,904	8,572,804	4,100
200 Employee Benefits	3,277,351	3,072,789	204,562
300 Purchased Services	64,985	52,329	12,656
400 Supplies and Materials	126,044	117,363	8,681
500 Capital Outlay	3,074	3,074	-
115 Career and Technology Education Programs:			
100 Salaries	2,012,067	2,012,066	1
200 Employee Benefits	695,434	678,555	16,879
300 Purchased Services - Other Than Tuition	5,405	2,491	2,914
400 Supplies and Materials	87,695	83,311	4,384
500 Capital Outlay	2,500	2,500	-

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
120 Exceptional Programs			
121 Educable Mentally Handicapped:			
100 Salaries	\$ 689,080	\$ 689,074	\$ 6
200 Employee Benefits	270,588	255,587	15,001
400 Supplies and Materials	1,050	512	538
122 Trainable Mentally Handicapped:			
100 Salaries	637,171	636,782	389
200 Employee Benefits	251,619	241,854	9,765
400 Supplies and Materials	687	659	28
123 Orthopedically Handicapped:			
100 Salaries	102,315	91,484	10,831
200 Employee Benefits	22,186	21,761	425
124 Visually Handicapped:			
100 Salaries	10,602	9,719	883
200 Employee Benefits	744	743	1
300 Purchased Services	84,608	82,416	2,192
125 Hearing Handicapped:			
100 Salaries	75,741	73,089	2,652
200 Employee Benefits	18,989	18,497	492
126 Speech Handicapped:			
100 Salaries	657,733	675,217	(17,484)
200 Employee Benefits	237,899	228,932	8,967
400 Supplies and Materials	1,165	2,812	(1,647)
600 Other Objects	-	2,975	(2,975)
127 Learning Disabilities:			
100 Salaries	2,385,670	2,372,294	13,376
200 Employee Benefits	856,136	825,054	31,082
400 Supplies and Materials	3,683	3,587	96
128 Emotionally Handicapped:			
100 Salaries	271,044	271,042	2
200 Employee Benefits	113,166	109,320	3,846
400 Supplies and Materials	532	673	(141)
130 Pre-School Programs			
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):			
100 Salaries	147,861	147,859	2
200 Employee Benefits	44,498	43,634	864
139 Early Childhood Programs:			
100 Salaries	41,192	36,173	5,019
200 Employee Benefits	13,648	13,047	601
140 Special Programs			
141 Gifted and Talented - Academic:			
100 Salaries	259,288	259,211	77
200 Employee Benefits	92,073	89,516	2,557
145 Homebound:			
100 Salaries	85,000	86,210	(1,210)
200 Employee Benefits	20,018	19,725	293
300 Purchased Services	15,000	15,776	(776)
147 Full Day 4K:			
100 Salaries	245,496	227,130	18,366
200 Employee Benefits	54,664	52,434	2,230
148 Gifted and Talented - Artistic:			
300 Purchased Services	42,900	33,535	9,365

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
160 Other Exceptional Programs			
161 Autism:			
100 Salaries	\$ 198,816	\$ 198,813	\$ 3
200 Employee Benefits	56,764	54,887	1,877
162 Limited English Proficiency:			
100 Salaries	276,860	276,857	3
200 Employee Benefits	92,189	90,073	2,116
180 Adult/Continuing Educational Programs			
181 Adult Basic Education Programs:			
188 Parenting/Family Literacy:			
100 Salaries	54,451	54,450	1
200 Employee Benefits	24,126	23,018	1,108
190 Instructional Pupil Activity:			
100 Salaries (optional)	4,456	4,456	-
200 Employee Benefits (optional)	1,075	1,035	40
Total Instruction	50,885,292	50,248,822	636,470
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services:			
100 Salaries	72,479	72,479	-
200 Employee Benefits	24,720	24,537	183
300 Purchased Services	7,412	7,513	(101)
400 Supplies and Materials	2,395	390	2,005
600 Other Objects	225	-	225
212 Guidance Services:			
100 Salaries	1,935,838	1,923,010	12,828
200 Employee Benefits	652,882	644,076	8,806
300 Purchased Services	5,533	4,024	1,509
400 Supplies and Materials	16,671	15,884	787
600 Other Objects	713	690	23
213 Health Services:			
100 Salaries	391,914	277,823	114,091
200 Employee Benefits	131,121	112,500	18,621
300 Purchased Services	1,410	28,347	(26,937)
400 Supplies and Materials	23,352	17,776	5,576
214 Psychological Services:			
100 Salaries	155,912	155,912	-
200 Employee Benefits	43,431	43,273	158
300 Purchased Services	1,753	3,565	(1,812)
400 Supplies and Materials	2,740	4,764	(2,024)
217 Career Specialist Services:			
100 Salaries	12,743	12,741	2
200 Employee Benefits	4,378	4,322	56

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
220 Instructional Staff Services			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	\$ 290,044	\$ 270,471	\$ 19,573
200 Employee Benefits	87,550	81,545	6,005
300 Purchased Services	6,730	3,314	3,416
400 Supplies and Materials	112,405	109,937	2,468
600 Other Objects	1,441	1,318	123
222 Library and Media Services:			
100 Salaries	1,550,800	1,550,340	460
200 Employee Benefits	568,567	562,227	6,340
300 Purchased Services	883	489	394
400 Supplies and Materials	66,989	63,288	3,701
500 Capital Outlay	1,988	171	1,817
223 Supervision of Special Programs:			
100 Salaries	491,558	491,557	1
200 Employee Benefits	181,742	180,431	1,311
300 Purchased Services	2,400	13,430	(11,030)
400 Supplies and Materials	-	3,390	(3,390)
600 Other Objects	125	4	121
224 Improvement of Instruction Inserve and Staff Training:			
100 Salaries	199,735	198,106	1,629
200 Employee Benefits	74,631	70,948	3,683
300 Purchased Services	23,250	14,974	8,276
400 Supplies and Materials	500	44	456
230 General Administration Services			
231 Board of Education:			
100 Salaries	68,567	33,800	34,767
200 Employee Benefits	670,284	443,973	226,311
300 Purchased Services	123,644	119,286	4,358
318 Audit Services	40,260	40,260	-
400 Supplies and Materials	9,000	8,926	74
600 Other Objects	28,950	28,994	(44)
232 Office of the Superintendent:			
100 Salaries	338,957	337,326	1,631
140 Terminal Leave	10,000	4,820	5,180
200 Employee Benefits	105,464	98,491	6,973
300 Purchased Services	17,750	14,380	3,370
400 Supplies and Materials	40,393	37,505	2,888
600 Other Objects	5,700	4,079	1,621
233 School Administration:			
100 Salaries	5,456,718	5,442,719	13,999
200 Employee Benefits	1,910,713	1,886,425	24,288
300 Purchased Services	47,618	39,959	7,659
400 Supplies and Materials	90,643	80,841	9,802
600 Other Objects	14,820	14,141	679
250 Finance and Operations Services			
252 Fiscal Services:			
100 Salaries	584,608	584,206	402
200 Employee Benefits	214,035	207,882	6,153
300 Purchased Services	22,194	19,972	2,222
400 Supplies and Materials	11,597	9,255	2,342
600 Other Objects	4,134	4,048	86

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
254 Operation and Maintenance of Plant:			
100 Salaries	\$ 1,180,896	\$ 1,162,504	\$ 18,392
200 Employee Benefits	475,649	463,230	12,419
300 Purchased Services	3,678,288	3,523,697	154,591
321 Public Utilities (Excludes gas, oil, elec. & other heating fuels)	437,598	430,673	6,925
400 Supplies and Materials	524,155	634,259	(110,104)
470 Energy (Include gas, oil, elec. & other heating fuels)	2,932,074	2,797,065	135,009
500 Capital Outlay	37,672	55,685	(18,013)
255 Student Transportation (State Mandated):			
100 Salaries	1,399,795	1,264,083	135,712
200 Employee Benefits	576,485	479,943	96,542
300 Purchased Services	56,333	53,632	2,701
400 Supplies and Materials	13,552	12,003	1,549
500 Capital Outlay	4,000	3,835	165
600 Other Objects	3,000	896	2,104
256 Food Service:			
200 Employee Benefits	287,344	269,814	17,530
257 Internal Services:			
100 Salaries	227,812	210,144	17,668
200 Employee Benefits	74,117	74,116	1
300 Purchased Services	12,485	9,478	3,007
400 Supplies and Materials	3,500	2,180	1,320
600 Other Objects	700	560	140
258 Security:			
100 Salaries	142,962	135,755	7,207
200 Employee Benefits	40,344	39,085	1,259
300 Purchased Services	415,658	330,650	85,008
400 Supplies and Materials	6,500	5,577	923
600 Other Objects	10,300	10,378	(78)
260 Central Support Services			
262 Planning, Research, Development & Evaluation:			
100 Salaries	93,052	95,052	(2,000)
200 Employee Benefits	28,643	28,077	566
300 Purchased Services	11,000	12,260	(1,260)
400 Supplies and Materials	22,729	25,510	(2,781)
600 Other Objects	15,303	14,693	610
263 Information Services:			
100 Salaries	93,394	93,394	-
200 Employee Benefits	27,194	26,899	295
300 Purchased Services	32,675	31,628	1,047
400 Supplies and Materials	7,522	6,683	839
600 Other Objects	300	390	(90)
264 Staff Services:			
100 Salaries	299,054	298,891	163
200 Employee Benefits	101,778	100,787	991
300 Purchased Services	30,588	25,046	5,542
400 Supplies and Materials	9,200	4,029	5,171
500 Capital Outlay	995	-	995
600 Other Objects	28,132	19,899	8,233
266 Technology and Data Processing Services:			
100 Salaries	458,548	452,426	6,122
200 Employee Benefits	154,500	153,583	917
300 Purchased Services	393,634	315,865	77,769
400 Supplies and Materials	134,361	129,195	5,166
500 Capital Outlay	11,725	10,777	948

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
270 Support Services Pupil Activity			
271 Pupil Services Activities:			
100 Salaries (optional)	\$ 886,793	\$ 868,488	\$ 18,305
200 Employee Benefits (optional)	207,054	179,648	27,406
300 Purchased Services (optional)	9,148	9,148	-
660 Pupil Activity	83,000	83,000	-
Total Support Services	<u>32,646,550</u>	<u>31,385,508</u>	<u>1,261,042</u>
400 Other Charges			
410 Intergovernmental Expenditures			
411 Payments to the South Carolina Department of Education			
720 Transits	138,198	121,786	16,412
412 Payments to Other Governmental Units			
720 Transits	25,000	14,441	10,559
416 LEA Payments to Public Charter Schools			
720 Transits	658,549	703,841	(45,292)
Total Intergovernmental Expenditures	<u>821,747</u>	<u>840,068</u>	<u>(18,321)</u>
Total Expenditures	<u>84,353,589</u>	<u>82,474,398</u>	<u>1,879,191</u>
Other Financing Sources (Uses)			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	1,979,762	2,141,106	161,344
5280 Transfer from Other Funds Indirect Costs	450,000	588,577	138,577
426-710 Transfer to Pupil Activity Fund	(227,959)	(226,209)	1,750
Total Other Financing Sources (Uses)	<u>2,201,803</u>	<u>2,503,474</u>	<u>301,671</u>
Excess/Deficiency of Revenues over Expenditures	<u>\$ (986,918)</u>	<u>\$ 2,109,316</u>	<u>\$ 3,096,234</u>
Fund Balance, Beginning of Year		<u>18,653,099</u>	
Fund Balance, End of Year		<u>\$ 20,762,415</u>	

SPECIAL REVENUE FUND

The special revenue funds are used to record revenues derived from the State of South Carolina and the federal government, certain of which require matching revenues from local sources, which are required to finance particular activities. Separate revenues, expenditures and changes in fund balances are set forth for various reporting requirements.

Special Revenue Fund - Special Projects Fund (excluding Education Improvement Act) - These funds are used to account for all federal and state projects except for those subject to Education Improvement Act requirements.

Education Improvement Act - These funds are used to account for the District's expenditures as a result of receiving funds subject to the guidelines set by the State of South Carolina.

The following Schedule of Revenues, Expenditures and Changes in Fund Balance, Non-Education Improvement Act Funds, Summary Schedule for Designated State Restricted Grants, the Education Improvement Act Schedule of Revenues, Expenditures and Changes in Fund Balance and the Education Improvement Act Summary Schedule by Program, have been prepared in the format mandated by the South Carolina State Department of Education. The account numbers are also mandated by the South Carolina State Department of Education.

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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS
BALANCE SHEET
JUNE 30, 2015**

Assets

Due From State Government	\$ 231,900
Due From Federal Government	1,969,561
Prepaid Expenses	769
Other Receivables	<u>168,817</u>

Total Assets	\$ <u>2,371,047</u>
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Liabilities & Fund Balances

Liabilities

Due To Other Funds	1,728,410
Due to Federal Government	49,498
Unearned Revenue	<u>593,139</u>

Total Liabilities	<u>2,371,047</u>
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Total Liabilities & Fund Balances	\$ <u>2,371,047</u>
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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS EXCLUDING EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
Revenues								
1000 Revenue from Local Sources								
1300 Tuition								
1330 From Patrons for Adult/Continuing Ed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,073	\$ 9,073
1900 Other Revenue from Local Sources:								
1910 Rentals	-	-	-	-	-	-	4,767	4,767
1920 Contributions & Donations Private Sources	-	-	-	-	-	750	349,422	350,172
1990 Miscellaneous Local Revenue:								
1999 Revenue from Other Local Sources	-	-	-	-	-	-	284,364	284,364
Total Local Sources	-	-	-	-	-	750	647,626	648,376
2000 Intergovernmental Revenue:								
2100 Payments from Other Governmental Units	-	-	-	-	-	-	703,841	703,841
Total Intergovernmental Revenues	-	-	-	-	-	-	703,841	703,841
3000 Revenue from State Sources								
3100 Restricted State Funding:								
3113 12-Month Agriculture Program	-	-	-	-	-	-	26,791	26,791
3118 EEDA Career Specialists	-	-	-	-	-	339,080	-	339,080
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	92,909	-	92,909
3130 Special Programs:								
3135 Reading Coaches	-	-	-	-	-	470,475	-	470,475
3136 Student Health and Fitness - Nurses	-	-	-	-	-	370,730	-	370,730
3155 DSS SNAP and E&T Program	-	-	-	-	-	60,364	-	60,364
3177 Summer Reading Camp	-	-	-	-	-	29,313	-	29,313
3193 Education License Plates	-	-	-	-	-	748	-	748
3194 Digital Instruction Materials	-	-	-	-	-	31,515	-	31,515
3198 Technology Professional Development	-	-	-	-	-	28,833	-	28,833
3600 Education Lottery:								
3607 6-8 Enhancement	-	-	-	-	-	21,412	-	21,412
3610 K-5 Enhancement	-	-	-	-	-	407,613	-	407,613
3620 Digital Instructional Materials	-	-	-	-	-	65,203	-	65,203
3630 K-12 Technology Initiative	-	-	-	-	-	331,543	-	331,543
3900 Other State Revenue:								
3999 Revenue From Other State Sources	-	-	-	-	-	-	167,535	167,535
Total State Sources	-	-	-	-	-	2,249,738	194,326	2,444,064

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS EXCLUDING EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
4000 Revenue from Federal Sources								
4200 Occupational Education:	\$ -	\$ -	\$ -	\$ 185,816	\$ -	\$ -	\$ -	\$ 185,816
4210 Vocational Aid, Title I								
4300 Elementary and Secondary Education Act of 1965 (ESEA):	3,440,863	-	-	-	-	-	42,468	3,483,331
4310 Title I, Basic State Grant Programs (Carryover Provision)	-	-	-	-	-	-	27,538	27,538
4312 Rural and Low-Income School Program, Title VI (Carryover Provision)	-	-	-	-	-	-	72,192	72,192
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	387,232	387,232
4351 Improving Teacher Quality (Carryover Provision)	-	-	-	-	-	-	-	-
4400 Adult Education:	-	-	-	-	120,878	-	-	120,878
4410 Basic, Adult Education	-	-	-	-	-	-	-	-
4500 Programs for Children with Disabilities:	-	2,759,874	-	-	-	-	2,878	2,762,752
4510 Individuals With Disabilities Education Act (IDEA) (Carryover Provision)	-	-	111,679	-	-	-	-	111,679
4520 Preschool Grants (Carryover Provision)	-	-	-	-	-	-	-	-
4900 Other Federal Sources:	-	-	-	-	-	-	-	-
4924 21st Century Community Learning Centers Program, (Title IV, 21st Century Schools)	-	-	-	-	-	-	220,750	220,750
4990 Other Federal Revenue:	-	-	-	-	-	-	2,982,058	2,982,058
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	-	-
Total Federal Sources	3,440,863	2,759,874	111,679	185,816	120,878	-	3,735,116	10,354,226
Total Revenues All Sources	3,440,863	2,759,874	111,679	185,816	120,878	2,250,488	5,280,909	14,150,507

Expenditures

100 Instruction

110 General Instruction

111 Kindergarten Programs:								
100 Salaries	-	-	-	-	-	-	75,775	75,775
200 Employee Benefits	-	-	-	-	-	-	32,361	32,361
400 Supplies and Materials	-	-	-	-	-	-	3,691	3,691
112 Primary Programs:								
100 Salaries	1,458,451	-	-	-	-	237,644	448,279	2,144,374
200 Employee Benefits	527,940	-	-	-	-	79,754	162,546	770,240
300 Purchased Services	55,289	-	-	-	-	-	50,289	105,578
400 Supplies and Materials	57,367	-	-	-	-	-	22,203	79,570
500 Capital Outlay	-	-	-	-	-	-	4,199	4,199
113 Elementary Programs:								
100 Salaries	352,082	-	-	-	-	100,833	90,793	543,708
200 Employee Benefits	145,283	-	-	-	-	33,538	27,867	206,688
300 Purchased Services	156,379	-	-	-	-	27,328	50,092	233,799
400 Supplies and Materials	112,804	-	-	-	-	5,014	12,432	130,250
500 Capital Outlay	10,177	-	-	-	-	96,719	-	106,896

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS EXCLUDING EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
114 High School Programs:								
100 Salaries	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 274,953	\$ 274,953
200 Employee Benefits	-	-	-	-	-	-	864	864
300 Purchased Services	-	-	-	-	-	-	968	968
400 Supplies and Materials	-	-	-	-	-	-	4,530	4,530
600 Other Objects	-	-	-	-	-	-	99	99
115 Career and Technology Education Programs:								
100 Salaries	-	-	-	-	-	-	26,791	26,791
300 Purchased Services - Other Than Tuition	-	-	-	20,980	-	-	-	20,980
400 Supplies and Materials	-	-	-	57,951	-	-	-	57,951
500 Capital Outlay	-	-	-	59,434	-	-	-	59,434
600 Other Objects	-	-	-	-	-	-	-	-
120 Exceptional Programs								
121 Educable Mentally Handicapped:								
100 Salaries	-	376,730	-	-	-	-	78	376,808
200 Employee Benefits	-	146,876	-	-	-	-	18	146,894
300 Purchased Services	-	3,543	-	-	-	-	-	3,543
400 Supplies and Materials	-	26,797	-	-	-	-	-	26,797
122 Trainable Mentally Handicapped:								
100 Salaries	-	176,007	-	-	-	-	286	176,293
200 Employee Benefits	-	51,690	-	-	-	-	67	51,757
400 Supplies and Materials	-	10,051	-	-	-	-	-	10,051
123 Orthopedically Handicapped:								
100 Salaries	-	7,163	-	-	-	-	-	7,163
200 Employee Benefits	-	611	-	-	-	-	-	611
124 Visually Handicapped:								
400 Supplies and Materials	-	868	-	-	-	-	-	868
125 Hearing Handicapped:								
300 Purchased Services	-	512	-	-	-	-	-	512
400 Supplies and Materials	-	2,548	-	-	-	-	-	2,548
126 Speech Handicapped:								
100 Salaries	-	128,602	-	-	-	-	254	128,856
200 Employee Benefits	-	52,772	-	-	-	-	60	52,832
300 Purchased Services	-	4,342	-	-	-	-	79	4,421
400 Supplies and Materials	-	5,921	-	-	-	-	-	5,921
600 Other Objects	-	1,000	-	-	-	-	-	1,000
127 Learning Disabilities:								
100 Salaries	-	404,497	-	-	-	-	775	405,272
200 Employee Benefits	-	145,169	-	-	-	-	186	145,355
128 Emotionally Handicapped:								
100 Salaries	-	49,574	-	-	-	-	78	49,652
200 Employee Benefits	-	12,997	-	-	-	-	18	13,015
300 Purchased Services	-	14,048	-	-	-	-	-	14,048

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS EXCLUDING EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
129 Coordinated Early Intervening Services (CEIS):								
100 Salaries	\$ -	\$ 259,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,443
200 Employee Benefits	-	85,112	-	-	-	-	-	85,112
130 Pre-School Programs								
133 Pre-School Handicapped-Self-Contained (5 year olds):								
100 Salaries	-	2,478	28,872	-	-	-	-	31,350
200 Employee Benefits	-	575	10,930	-	-	-	-	11,505
400 Supplies and Materials	-	-	234	-	-	-	-	234
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):								
100 Salaries	-	41,902	48,077	-	-	-	-	89,979
200 Employee Benefits	-	7,793	19,483	-	-	-	-	27,276
300 Purchased Services	-	29	-	-	-	-	-	29
400 Supplies and Materials	-	115	898	-	-	-	-	1,013
139 Early Childhood Programs:								
100 Salaries	-	-	-	-	-	-	426,201	426,201
200 Employee Benefits	-	-	-	-	-	-	166,150	166,150
300 Purchased Services	-	-	-	-	-	-	109,645	109,645
400 Supplies and Materials	-	-	-	-	-	-	235,644	235,644
500 Capital Outlay	-	-	-	-	-	-	350,729	350,729
140 Special Programs								
145 Homebound:								
300 Purchased Services	-	10,390	-	-	-	-	-	10,390
147 Full Day 4K:								
400 Supplies and Materials	19,873	-	-	-	-	-	-	19,873
160 Other Exceptional Programs								
161 Autism:								
100 Salaries	-	6,040	-	-	-	-	676	6,716
200 Employee Benefits	-	878	-	-	-	-	162	1,040
300 Purchased Services	-	-	-	-	-	-	140	140
170 Summer School Program								
172 Elementary Summer School:								
100 Salaries	-	-	-	-	-	17,628	8,046	25,674
200 Employee Benefits	-	-	-	-	-	4,009	1,715	5,724
400 Supplies and Materials	-	-	-	-	-	1,604	2,816	4,420
175 Instructional Programs Beyond Regular School Day:								
100 Salaries	9,665	-	-	-	-	-	127,335	137,000
200 Employee Benefits	2,276	-	-	-	-	-	29,981	32,257
400 Supplies and Materials	-	-	-	-	-	-	12,791	12,791

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS EXCLUDING EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
180 Adult/Continuing Educational Programs								
181 Adult Basic Education Programs:								
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ 52,818	\$ 1,953	\$ 11,011	\$ 65,782
200 Employee Benefits	-	-	-	-	12,438	471	2,517	15,426
400 Supplies and Materials	-	-	-	-	1,006	2,264	340	3,610
182 Adult Secondary Education Programs:								
100 Salaries	-	-	-	-	29,631	21,708	-	51,339
200 Employee Benefits	-	-	-	-	7,249	1,411	-	8,660
300 Purchased Services	-	-	-	-	-	-	2,672	2,672
400 Supplies and Materials	-	-	-	-	40	4,170	11,104	15,314
183 Adult English Literacy (ESL):								
100 Salaries	-	-	-	-	11,347	119	-	11,466
200 Employee Benefits	-	-	-	-	2,670	62	-	2,732
188 Parenting/Family Literacy:								
100 Salaries	128,620	-	-	-	-	-	89,102	217,722
200 Employee Benefits	54,000	-	-	-	-	-	33,393	87,393
300 Purchased Services	-	-	-	-	-	-	3,367	3,367
400 Supplies and Materials	3,819	-	-	-	-	-	2,108	5,927
Total Instruction	3,094,025	2,037,073	108,494	138,365	117,199	636,229	2,918,276	9,049,661
200 Support Services								
210 Pupil Services								
213 Health Services:								
100 Salaries	-	76,657	-	-	-	245,432	2,270	324,359
200 Employee Benefits	-	23,002	-	-	-	109,784	546	133,332
300 Purchased Services	-	49,869	-	-	-	-	29,026	78,895
400 Supplies and Materials	-	1,750	-	-	-	-	-	1,750
214 Psychological Services:								
100 Salaries	-	193,394	-	-	-	-	-	193,394
200 Employee Benefits	-	63,909	-	-	-	-	-	63,909
300 Purchased Services	-	15,174	-	-	-	-	-	15,174
400 Supplies and Materials	-	14,911	-	-	-	-	-	14,911
600 Other Objects	-	849	-	-	-	-	-	849
217 Career Specialist Services:								
100 Salaries	-	-	-	-	-	253,382	-	253,382
200 Employee Benefits	-	-	-	-	-	85,698	-	85,698
220 Instructional Staff Services								
221 Improvement of Instruction Curriculum Development:								
300 Purchased Services	-	-	-	-	-	110	23,320	23,430
400 Supplies and Materials	-	-	-	-	-	-	2,450	2,450

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS EXCLUDING EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
222 Library and Media Services:								
400 Supplies and Materials								750
223 Supervision of Special Programs:								
100 Salaries	94,549	87,430	-	7,760	-	19,810	343,128	552,677
200 Employee Benefits	25,676	26,895	-	1,828	-	8,396	131,296	194,091
300 Purchased Services	6,987	415	-	13,731	-	-	260,980	282,113
400 Supplies and Materials	1,328	13,199	-	3,916	-	-	47,254	65,697
500 Capital Outlay	-	-	-	-	-	-	7,115	7,115
600 Other Objects	-	750	-	-	-	-	351	1,101
224 Improvement of Instruction Inserve and Staff Training:								
100 Salaries	83,022	5,345	-	-	-	315,510	68,211	472,088
200 Employee Benefits	28,309	1,598	-	-	-	114,890	20,130	164,927
300 Purchased Services	10,777	-	-	20,216	-	41,171	2,669	74,833
400 Supplies and Materials	1,975	-	-	-	-	26,233	-	28,208
230 General Administration Services								
231 Board of Education:								
233 School Administration:								
100 Salaries	-	-	-	-	-	-	82,415	82,415
200 Employee Benefits	-	-	-	-	-	-	31,950	31,950
300 Purchased Services	-	-	-	-	-	-	5,300	5,300
400 Supplies and Materials	-	-	-	-	-	-	3,268	3,268
250 Finance and Operations Services								
251 Student Transportation (Federal/District Mandated):								
100 Salaries	-	28,523	-	-	-	-	19,973	48,496
200 Employee Benefits	-	7,990	-	-	-	-	2,410	10,400
300 Purchased Services	-	1,573	-	-	-	-	34,181	36,754
253 Facilities Acquisition and Construction:								
500 Capital Outlay	-	-	-	-	-	-	-	-
540 Equipment	-	-	-	-	-	-	10,000	10,000
254 Operation and Maintenance of Plant:								
100 Salaries	-	-	-	-	-	-	910	910
200 Employee Benefits	-	-	-	-	-	-	215	215
300 Purchased Services	-	-	-	-	-	-	20,302	20,302
400 Supplies and Materials	-	-	-	-	-	-	10,000	10,000
470 Energy (include gas, oil, elec. & other heating fuels)	-	-	-	-	-	-	9,431	9,431
255 Student Transportation (State Mandated):								
100 Salaries	-	-	-	-	-	5,262	86,024	91,286
200 Employee Benefits	-	-	-	-	-	690	7,172	7,862
300 Purchased Services	-	-	-	-	-	7	37,754	37,761
256 Food Service:								
100 Salaries	-	-	-	-	-	-	853	853
200 Employee Benefits	-	-	-	-	-	-	201	201

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS EXCLUDING EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
\$	-	\$	\$	\$	\$	\$	\$	\$
	-	-	-	-	-	900	-	900
	-	-	-	-	-	9,357	-	9,357
	-	-	-	-	-	320,997	-	320,997
Total Support Services	252,623	613,233	-	47,451	-	1,557,629	1,301,855	3,772,791
300 Community Services								
350 Custody and Care of Children Services:								
100 Salaries	-	-	-	-	-	-	361,016	361,016
200 Employee Benefits	-	-	-	-	-	-	141,002	141,002
300 Purchased Services	-	-	-	-	-	-	70,760	70,760
400 Supplies and Materials	-	-	-	-	-	-	32,651	32,651
390 Other Community Services:								
100 Salaries	-	-	-	-	-	-	288,263	288,263
200 Employee Benefits	-	-	-	-	-	-	94,275	94,275
Total Community Services	-	-	-	-	-	-	987,967	987,967
400 Other Charges:								
410 Intergovernmental Expenditures								
416 LEA Payments to Public Charter Schools								
720 Transits	-	28,668	-	-	-	56,630	-	85,298
Total Intergovernmental Expenditures	-	28,668	-	-	-	56,630	-	85,298
Total Expenditures	3,346,648	2,678,974	108,494	185,816	117,199	2,250,488	5,208,098	13,895,717
Other Financing Sources (Uses)								
Interfund Transfers, From (To) Other Funds:								
431-791 Special Revenue Fund Indirect Costs	(94,215)	(80,900)	(3,185)	-	(3,679)	-	(72,811)	(254,790)
Total Other Financing Sources (Uses)	(94,215)	(80,900)	(3,185)	-	(3,679)	-	(72,811)	(254,790)
Excess/Deficiency of Revenues over Expenditures	\$	\$	\$	\$	\$	\$	\$	\$
	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$	\$	\$	\$	\$	\$	\$	\$
	-	-	-	-	-	-	-	-

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF SUBFUND LISTINGS*
FOR FISCAL YEAR ENDED JUNE 30, 2015

* The following is a listing of which titles are included in the Adult Education Column, the Designated State Restricted Grants Column, and the Other Specified Revenue Programs Column.

Adult Education		Other Special Revenue Programs (Continued)	
Subfund Code	Title	Subfund Code	Title
243	Adult Education - Federal	802	SIMS: Swimming and Water Safety
Other Designated State Restricted Grants		803	Communities in Schools
Subfund Code	Title	804	First Steps
914	Digital Instructional Materials	805	Workforce Investment Act
918	Technology Professional Development	806	Now is the Time
919	Education License Plates	809	Partners for Youth-Clinton Community Grant
926	Summer Reading Camp	810	Adult Ed - Computer Based Testing
928	EEDA Career Specialist	811	Learn TV Advertising
936	Student Health and Fitness - Nurses	812	Good Behavior Game Replication Project
937	Student Health and Fitness - PE Teachers	813	Head Start
955	DSS SNAP and E&T Program	814	Literacy Network - Adult Ed
960	K-5 Enhancement	816	SIMS: Home Literacy Trail
963	K-12 Technology Initiative	818	Supporting Teens through Education & Protection Program
965	Digital Instructional Materials	819	SIMS - Lancaster Area Literacy Cooperative
967	6-8 Enhancement	820	Lancaster County Project Prevent
Other Special Revenue Programs		821	John T Stevens Foundation - Summer Reading Camp
Subfund Code	Title	822	Workers Compensation Risk Control Grant
224	21st Century Community Learning Centers Title IV	823	National School Lunch Equipment Assistance
237	Title I - Focus Schools	825	Early Head Start
251	Title VI - Rural and Low-Income School Program	827	Early Head Start
264	Language Instruction for Limited English Proficient and Immigrant Students Title III	829	SIMS: Swimming and Water Safety, Jan - Dec 2014
267	Title II Improving Teacher Quality	836	United Way - Adult Ed
270	JROTC	839	EXT School Year
275	Adult Education Local Contributions	840	SC Arts Commission - AJ Middle
294	Elementary Homework Centers - PFY	841	SC Arts Commission - McDonald Green Elementary
296	Facility Rental Fund	844	SC Arts Commission - Heath Springs Elementary
299	12-Month Ag.	846	Lancaster Area Literacy Coop
801	Discovery School	851	Jobs for South Carolina's Graduates
		856	Child Development Program - First Steps
		857	Youth Build
		861	SC GEAR-UP

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR FISCAL YEAR ENDED JUNE 30, 2015

Subfund	Revenue Code	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
914	3194	Digital Instruction Materials	\$ 31,515	\$ 31,515	\$ -	\$ -	\$ 164,495
918	3198	Technology Professional Development	28,833	28,833	-	-	36,477
919	3193	Education License Plates	748	748	-	-	2,121
926	3177	Summer Reading Camp	29,313	29,313	-	-	53,732
928	3118	EEDA - Career Specialist	339,080	339,080	-	-	-
935	3135	Reading Coaches	470,475	470,475	-	-	-
936	3136	Student Health and Fitness - Nurses	370,730	370,730	-	-	-
937	3127	Student and Health Fitness - PE Teachers	92,909	92,909	-	-	-
955	3155	DSS SNAP and E&T Program	60,364	60,364	-	-	19,251
960	3610	K-5 Enhancement	407,613	407,613	-	-	131,304
963	3630	K-12 Technology Initiative	331,543	331,543	-	-	73,792
965	3620	Digital Instructional Materials	65,203	65,203	-	-	-
967	3607	6-8 Enhancement	21,412	21,412	-	-	43,544
Totals - Other Restricted State Grants			\$ 2,249,738	\$ 2,249,738	\$ -	\$ -	\$ 524,716

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
BALANCE SHEET
JUNE 30, 2015**

Assets

Due From Other Funds	\$ 363,770
Due From State Government	265,791
Other Receivables	<u>2,063</u>

Total Assets	<u>\$ 631,624</u>
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Liabilities & Fund Balances

Liabilities

Due To State Government	5,620
Unearned Revenue	<u>626,004</u>

Total Liabilities	<u>631,624</u>
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Total Liabilities & Fund Balances	<u>\$ 631,624</u>
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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

Revenues

3000 Revenue from State Sources

3500 Education Improvement Act:	
3502 ADEPT	\$ 6,431
3504 Level Data	20,026
3509 Arts in Education	59,226
3511 Professional Development	54,285
3518 Formative Assessment	34,941
3525 Career and Technology Education Equipment	146,383
3526 Refurbishment of K-8 Science Kits	29,844
3532 National Board Certification (NBC) Salary Supplement	940,134
3533 Teacher of the Year Awards	1,077
3538 Students At Risk of School Failure	1,145,334
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	384,678
3544 High Achieving Students	40,300
3550 Teacher Salary Increase (No Carryover Provision)	1,825,315
3555 School Employer Contributions (No Carryover Provision)	315,791
3556 Adult Education	286,844
3558 Reading	47,523
3571 Palmetto Priority Schools	190,024
3577 Teacher Supplies (No Carryover Provision)	205,000
3578 High Schools That Work/Making Middle Grades Work	54,706
3585 Aid to Districts - Special Education	34,939
3592 Work-Based Learning	42,229
3594 EEDA At Risk Supplemental Programs	137,831
3595 EEDA - Supplies and Materials - Career Awareness	18,788
3597 Aid to Districts	817,119

Total State Sources	6,838,768
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Total Revenues All Sources	6,838,768
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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

Expenditures

100 Instruction

110 General Instruction

111 Kindergarten Programs:

100 Salaries	\$	21,750
200 Employee Benefits		5,068

112 Primary Programs:

100 Salaries		261,056
200 Employee Benefits		67,163
300 Purchased Services		21,296
400 Supplies and Materials		15,424

113 Elementary Programs:

100 Salaries		486,911
200 Employee Benefits		169,543
300 Purchased Services		17,143
400 Supplies and Materials		385,760
500 Capital Outlay		6,474

114 High School Programs:

100 Salaries		366,633
200 Employee Benefits		128,083
300 Purchased Services		34,427
400 Supplies and Materials		12,002
500 Capital Outlay		1,079

115 Career and Technology Education Programs:

100 Salaries		22,500
200 Employee Benefits		5,265
500 Capital Outlay		146,383
600 Other Objects		800

116 Career and Technology Education (Vocational) Programs - Middle School:

600 Other Objects		1,000
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120 Exceptional Programs

121 Educable Mentally Handicapped:

100 Salaries		26,250
200 Employee Benefits		6,102
500 Capital Outlay		5,756

122 Trainable Mentally Handicapped:

100 Salaries		7,500
200 Employee Benefits		1,757
500 Capital Outlay		5,631

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

123 Orthopedically Handicapped:	
100 Salaries	\$ 13,911
200 Employee Benefits	4,010
125 Hearing Handicapped:	
100 Salaries	60,791
200 Employee Benefits	26,502
126 Speech Handicapped:	
100 Salaries	18,686
200 Employee Benefits	4,239
400 Supplies and Materials	27
127 Learning Disabilities:	
100 Salaries	71,028
200 Employee Benefits	17,900
500 Capital Outlay	5,631
128 Emotionally Handicapped:	
300 Purchased Services	7,574
130 Pre-School Programs	
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):	
100 Salaries	15,000
200 Employee Benefits	3,520
139 Early Childhood Programs:	
100 Salaries	253,797
200 Employee Benefits	125,936
300 Purchased Services	1,062
400 Supplies and Materials	3,883
140 Special Programs	
141 Gifted and Talented - Academic:	
300 Purchased Services	2,700
400 Supplies and Materials	16,403
600 Other Objects	100
143 Advanced Placement:	
400 Supplies and Materials	3,257
148 Gifted and Talented - Artistic:	
100 Salaries	198
200 Employee Benefits	41
300 Purchased Services	5,759

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

170 Summer School Program

171 Primary Summer School:

100 Salaries	\$ 15,610
200 Employee Benefits	3,676
400 Supplies and Materials	805

172 Elementary Summer School:

100 Salaries	50,076
200 Employee Benefits	12,213
400 Supplies and Materials	1,768

173 High School Summer School:

100 Salaries	648
200 Employee Benefits	156

175 Instructional Programs Beyond Regular School Day:

100 Salaries	20,676
200 Employee Benefits	4,336
400 Supplies and Materials	1,738

180 Adult/Continuing Educational Programs

181 Adult Basic Education Programs:

100 Salaries	15,531
200 Employee Benefits	3,676
400 Supplies and Materials	495

182 Adult Secondary Education Programs:

100 Salaries	45,016
200 Employee Benefits	21,644
300 Purchased Services	385
400 Supplies and Materials	196

183 Adult English Literacy (ESL):

100 Salaries	1,131
200 Employee Benefits	266

188 Parenting/Family Literacy:

100 Salaries	26,090
200 Employee Benefits	6,274

Total Instruction

3,124,117

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

200 Support Services

210 Pupil Services

211 Attendance and Social Work Services:

100 Salaries	\$	28,145
200 Employee Benefits		9,624

212 Guidance Services:

100 Salaries		45,092
200 Employee Benefits		10,461
400 Supplies and Materials		34,838
600 Other Objects		25

213 Health Services:

100 Salaries		61,643
200 Employee Benefits		15,477
300 Purchased Services		279,520
400 Supplies and Materials		50

214 Psychological Services:

100 Salaries		12,255
400 Supplies and Materials		39

217 Career Specialist Services:

100 Salaries		750
200 Employee Benefits		175

220 Instructional Staff Services

221 Improvement of Instruction Curriculum Development:

100 Salaries		148,614
200 Employee Benefits		41,180
300 Purchased Services		7,993
400 Supplies and Materials		800

222 Library and Media Services:

100 Salaries		44,981
200 Employee Benefits		10,473

223 Supervision of Special Programs:

100 Salaries		301,943
200 Employee Benefits		128,298
300 Purchased Services		68,573
400 Supplies and Materials		14,270
500 Capital Outlay		6,707
600 Other Objects		627

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

224 Improvement of Instruction Inserve and Staff Training:	
100 Salaries	\$ 78,776
200 Employee Benefits	21,019
300 Purchased Services	102,439
400 Supplies and Materials	5,546
600 Other Objects	35,845
230 General Administration Services	
233 School Administration:	
100 Salaries	542
200 Employee Benefits	128
250 Finance and Operations Services	
251 Student Transportation (Federal/District Mandated):	
100 Salaries	8,495
200 Employee Benefits	850
300 Purchased Services	7,392
255 Student Transportation (State Mandated):	
100 Salaries	15,728
200 Employee Benefits	2,461
300 Purchased Services	1,745
260 Central Support Services	
266 Technology and Data Processing Services:	
300 Purchased Services	20,026
Total Support Services	<u>1,573,545</u>
Total Expenditures	<u>4,697,662</u>
Other Financing Sources (Uses)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	<u>(2,141,106)</u>
Total Other Financing Sources (Uses)	<u>(2,141,106)</u>
Excess/Deficiency of Revenues over Expenditures	<u>\$ -</u>
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR FISCAL YEAR ENDED JUNE 30, 2015

Program	Revenues	Expenditures	EIA Interfund Transfers In (Out)	Other Fund Transfers In (Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 6,431	\$ 6,431	\$ -	-	\$ 3,311
3504 Level Data	20,026	20,026	-	-	-
3505 Technology Support	-	-	-	-	10,000
3509 Arts in Education	59,226	59,226	-	-	4,338
3511 Professional Development	54,285	54,285	-	-	62,152
3518 Formative Assessment	34,941	34,941	-	-	-
3525 Career and Technology Education Equipment	146,383	146,383	-	-	5,518
3526 Refurbishment of Science Kits	29,844	29,844	-	-	40,245
3532 National Board Certification	940,134	940,134	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3538 Students at Risk of School Failure	1,145,334	1,145,334	-	-	178,689
3540 Four-Year Old Early Childhood	384,678	384,678	-	-	-
3544 High Achieving Students	40,300	40,300	-	-	-
3550 Teacher Salary Increase	1,825,315	-	-	(1,825,315)	-
3555 School Employer Contributions	315,791	-	-	(315,791)	-
3556 Adult Education	286,844	286,844	-	-	14,606
3558 Reading	47,523	47,523	-	-	6,241
3571 Palmetto Priority Schools	190,024	190,024	-	-	132,590
3577 Teacher Supplies	205,000	205,000	-	-	-
3578 High Schools that Work	54,706	54,706	-	-	31,069
3585 Aide to Districts	34,939	34,939	-	-	-
3592 School-to-Work Transition	42,229	42,229	-	-	31,603
3594 EEDA at Risk Supplemental Programs	137,831	137,831	-	-	19,282
3595 EEDA - Supplies and Materials - Career Awareness	18,788	18,788	-	-	2,097
3597 Aide to Districts	817,119	817,119	-	-	84,263
Total	\$ 6,838,768	\$ 4,697,662	\$ -	\$ (2,141,106)	\$ 626,004

DEBT SERVICE FUND

The Debt Service Fund accumulates monies for payment of the District's general obligation bonds which are serial bonds due in annual installments.

The Debt Service Fund - LEAP fund accounts for the activity of the Lancaster Education Assistance Program, Inc., a blended component unit of the District.

The following schedule has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown are also mandated by the South Carolina State Department of Education.

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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
DEBT SERVICE FUND - DISTRICT
BALANCE SHEET
JUNE 30, 2015**

Assets

Property Tax Receivable, Net	\$ 39,757
Due From County Government	2,389,777
Due From Other Governmental Units	<u>92</u>

Total Assets	<u>\$ 2,429,626</u>
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Liabilities & Fund Balances

Fund Balances

Restricted For Debt Service	<u>2,429,626</u>
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Total Fund Balances	<u>2,429,626</u>
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Total Liabilities & Fund Balances	<u>\$ 2,429,626</u>
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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
DEBT SERVICE FUND - DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from Local Sources			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes-Including Delinquent	\$ 12,223,850	\$ 12,480,559	\$ 256,709
1140 Penalties & Interest on Taxes	115,000	97,907	(17,093)
1200 Revenue From Local Governmental Units Other Than LEAs:			
1280 Revenue in Lieu of Taxes	474,822	550,163	75,341
1500 Earnings on Investments:			
1510 Interest on Investments	5,000	4,794	(206)
Total Local Sources	12,818,672	13,133,423	314,751
3000 Revenue from State Sources			
3800 State Revenue in Lieu of Taxes:			
3820 Homestead Exemption (Tier 2)	656,516	687,792	31,276
3830 Merchant's Inventory Tax	12,496	12,496	-
3840 Manufacturers Depreciation Reimbursement	58,616	27,008	(31,608)
3890 Other State Property Tax Revenues	19,789	17,872	(1,917)
Total State Sources	747,417	745,168	(2,249)
Total Revenues All Sources	13,566,089	13,878,591	312,502
Expenditures			
500 Debt Service			
610 Redemption of Principal	4,955,000	4,955,000	-
620 Interest	1,328,050	910,462	417,588
Total Debt Service	6,283,050	5,865,462	417,588
Total Expenditures	6,283,050	5,865,462	417,588

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
DEBT SERVICE FUND - DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Interfund Transfers, From (To) Other Funds:			
423-710 Transfer to Debt Service Fund - LEAP	\$ (3,311,447)	\$ (3,311,447)	\$ -
424-710 Transfer to Capital Projects Fund	(6,148,553)	(6,148,553)	-
Total Other Financing Sources (Uses)	<u>(9,460,000)</u>	<u>(9,460,000)</u>	<u>-</u>
Excess/Deficiency of Revenues over Expenditures	<u>\$ (2,176,961)</u>	<u>\$ (1,446,871)</u>	<u>\$ 730,090</u>
Fund Balance, Beginning of Year		<u>3,876,497</u>	
Fund Balance, End of Year		<u><u>\$ 2,429,626</u></u>	

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
DEBT SERVICE FUND - LEAP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	Actual
Expenditures	
500 Debt Service:	
610 Redemption on Principal	\$ 2,245,000
620 Interest	<u>2,124,721</u>
Total Expenditures	<u>4,369,721</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,369,721)</u>
Other Financing Sources (Uses)	
Interfund Transfers From (To) Other Funds	
5240 Transfer from Debt Service Fund - District	3,311,447
5250 Transfer from Capital Projects Fund	<u>1,058,274</u>
Total Other Financing Sources (Uses)	<u>4,369,721</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u><u>\$ -</u></u>
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>

CAPITAL PROJECTS FUND - SCHOOL BUILDING

Accounts for financial resources to be used for the acquisition and construction of major capital facilities.

The Capital Projects Fund - LEAP - accounts for the activity of the Lancaster Education Assistance Program, Inc., a blended component unit of the District.

The following schedule has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown are also mandated by the South Carolina State Department of Education.

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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
CAPITAL PROJECTS FUND - DISTRICT
BALANCE SHEET
JUNE 30, 2015**

Assets

Due From Other Funds	\$ 2,221,362
Due From County Government	4,474,455
Other Receivables	<u>28,400</u>

Total Assets	<u>\$ 6,724,217</u>
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Liabilities & Fund Balances

Liabilities

Bond Anticipation Note Payable	<u>1,075,000</u>
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Total Liabilities	<u>1,075,000</u>
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Fund Balances

Restricted For Capital Projects	<u>5,649,217</u>
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Total Fund Balances	<u>5,649,217</u>
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Total Liabilities & Fund Balances	<u>\$ 6,724,217</u>
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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
CAPITAL PROJECTS FUND - DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from Local Sources			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ 4,496	\$ 4,496	\$ -
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	56,279	56,279	-
Total Local Sources	<u>60,775</u>	<u>60,775</u>	<u>-</u>
Total Revenues All Sources	<u>60,775</u>	<u>60,775</u>	<u>-</u>
Expenditures			
200 Support Services			
250 Finance and Operations Services			
253 Facilities Acquisition and Construction:			
300 Purchased Services	4,853,854	1,687,035	3,166,819
400 Supplies and Materials	1,576,159	1,401,398	174,761
500 Capital Outlay	-	-	-
520 Construction Services	5,594,522	3,482,704	2,111,818
530 Improvements Other Than Buildings	235,741	220,741	15,000
540 Equipment	442,134	435,032	7,102
545 Technology, Equipment and Software	1,307,442	1,196,688	110,754
550 Vehicles	413,391	238,563	174,828
600 Other Objects	963,136	-	963,136
Total Support Services	<u>15,386,379</u>	<u>8,662,161</u>	<u>6,724,218</u>
500 Debt Service			
620 Interest	3,983	3,983	-
Total Debt Service	<u>3,983</u>	<u>3,983</u>	<u>-</u>
Total Expenditures	<u>15,390,362</u>	<u>8,666,144</u>	<u>6,724,218</u>

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
CAPITAL PROJECTS FUND - DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Interfund Transfers, From (To) Other Funds:			
5240 Transfer from Debt Service Fund	\$ 6,148,553	\$ 6,148,553	\$ -
423-710 Transfer to Debt Service Fund - LEAP	(1,058,274)	(1,058,274)	-
Total Other Financing Sources (Uses)	<u>5,090,279</u>	<u>5,090,279</u>	<u>-</u>
Excess/Deficiency of Revenues over Expenditures	<u>\$ (10,239,308)</u>	<u>\$ (3,515,090)</u>	<u>\$ 6,724,218</u>
Fund Balance, Beginning of Year		<u>9,164,307</u>	
Fund Balance, End of Year		<u><u>\$ 5,649,217</u></u>	

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PROPRIETARY FUND - FOOD SERVICE FUND

Accounts for the provision of food services to the students of the District. All activities necessary to provide such service are accounted for in this fund.

The accompanying Statement of Revenues, Expenses and Changes in Retained Earnings has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown are also mandated by the South Carolina State Department of Education.

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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
PROPRIETARY FUND - FOOD SERVICE FUND
BALANCE SHEET
JUNE 30, 2015**

Assets

Cash & Cash Equivalents	\$ 1,371,940
Inventories - Supply & Materials	102,503
Other Receivables	27,124
Property, Plant and Equipment, Net	<u>1,109,933</u>
Total Assets	<u><u>2,611,500</u></u>

Deferred Outflows of Resources

Pension Difference Between Expected and Actual Funding Experience	60,964
Employer Contributions Subsequent to Measurement Date	<u>127,245</u>
Total Deferred Outflows of Resources	<u><u>188,209</u></u>

Liabilities

Due To Other Funds	387,233
Unearned Revenue	46,913
Net Pension Liability	<u>2,151,496</u>
Total Liabilities	<u><u>2,585,642</u></u>

Deferred Inflows of Resources

Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>181,387</u>
Total Deferred Inflows of Resources	<u><u>181,387</u></u>

Net Position

Investment in Capital Assets	1,109,933
Unrestricted	<u>(1,077,253)</u>
Total Net Position	<u><u>\$ 32,680</u></u>

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
PROPRIETARY FUND - FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from Local Sources			
1600 Food Service:			
1610 Lunch Sales to Pupils	\$ 904,615	\$ 818,752	\$ (85,863)
1620 Breakfast Sales to Pupils	124,776	119,059	(5,717)
1630 Special Sales to Pupils	552,950	315,215	(237,735)
1640 Lunch Sales to Adults	78,201	66,450	(11,751)
1650 Breakfast Sales to Adults	13,067	12,256	(811)
1660 Special Sales to Adults	106,546	85,670	(20,876)
1900 Other Revenue from Local Sources:			
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	4,240	12,211	7,971
Total Local Sources	<u>1,784,395</u>	<u>1,429,613</u>	<u>(354,782)</u>
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3142 Program Aid	475	438	(37)
Total State Sources	<u>475</u>	<u>438</u>	<u>(37)</u>
4000 Revenue from Federal Sources			
4800 USDA Reimbursement:			
4810 School Lunch and After School Snacks Program	2,986,421	2,925,802	(60,619)
4830 School Breakfast Program	861,462	809,592	(51,870)
4900 Other Federal Sources:			
4990 Other Federal Revenue:			
4991 USDA Commodities (Food Distribution Program)	367,245	370,708	3,463
4999 Revenue from Other Federal Sources	9,742	-	(9,742)
Total Federal Sources	<u>4,224,870</u>	<u>4,106,102</u>	<u>(118,768)</u>
Total Revenues All Sources	<u>6,009,740</u>	<u>5,536,153</u>	<u>(473,587)</u>

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
PROPRIETARY FUND - FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
200 Support Services			
256 Food Service:			
100 Salaries	\$ 2,186,046	\$ 1,777,421	\$ 408,625
200 Employee Benefits	252,413	607,830	(355,417)
300 Purchased Services	44,966	47,558	(2,592)
400 Supplies and Materials	3,104,441	2,898,969	205,472
500 Capital Outlay	153,341	113,971	39,370
600 Other Objects	11,598	11,984	(386)
Total Support Services	<u>5,752,805</u>	<u>5,457,733</u>	<u>295,072</u>
Total Expenditures	<u>5,752,805</u>	<u>5,457,733</u>	<u>295,072</u>
Other Financing Sources (Uses)			
5300 Sale of Fixed Assets	-	(985)	(985)
5900 Miscellaneous Sources:			
5999 Contributed Capital	-	667,916	667,916
Interfund Transfers, From (To) Other Funds:			
432-791 Food Service Fund Indirect Costs	<u>(305,344)</u>	<u>(333,787)</u>	<u>(28,443)</u>
Total Other Financing Sources (Uses)	<u>(305,344)</u>	<u>333,144</u>	<u>638,488</u>
Excess/Deficiency of Revenues over Expenditures	<u>\$ (48,409)</u>	<u>\$ 411,564</u>	<u>\$ 459,973</u>
Net Position, Beginning of Year - as Restated		<u>(378,884)</u>	
Net Position, End of Year		<u>\$ 32,680</u>	

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FIDUCIARY FUND - PUPIL ACTIVITY FUND

Agency Fund - Accounts for the collection and payment of pupil activity receipts and disbursements from and on behalf of the District's students.

The following individual fund statements have been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the various statements are also mandated by the South Carolina State Department of Education.

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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
AGENCY FUND - PUPIL ACTIVITY FUND
SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015**

Assets

Cash & Cash Equivalents	\$ 848,566
Investments	1,008,470
Other Receivables	<u>12,058</u>
Total Assets	<u>\$ 1,869,094</u>

Liabilities

Liabilities

Due to School District	454,976
Due to School Organizations	<u>1,414,118</u>
Total Liabilities	<u>1,869,094</u>
Total Liabilities	<u>\$ 1,869,094</u>

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
AGENCY FUND - PUPIL ACTIVITY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Assets				
Cash and Investments	\$ 865,555	\$ 3,855,312	\$ 3,872,301	\$ 848,566
Investments	1,006,137	2,333	-	1,008,470
Other Receivables	50,504	12,058	50,504	12,058
Total Assets	\$ 1,922,196	\$ 3,869,703	\$ 3,922,805	\$ 1,869,094
Liabilities				
Due to School District	626,164	4,156,089	4,327,277	454,976
Unearned Revenue	12,276	-	12,276	-
Due to School Organizations	1,283,756	3,831,475	3,701,113	1,414,118
Total Liabilities	\$ 1,922,196	\$ 7,987,564	\$ 8,040,666	\$ 1,869,094

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
FIDUCIARY FUND - PUPIL ACTIVITY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS
DUE TO SCHOOL ORGANIZATIONS
FOR THE YEAR ENDED JUNE 30, 2015**

Receipts

1000 Receipts from Local Sources

1300 Tuition	
1350 From Patrons for Summer School	\$ 32,603
1500 Earnings on Investments:	
1510 Interest on Investments	2,333
1700 Pupil Activities:	
1710 Admissions	329,250
1720 Bookstore Sales	1,579,854
1730 Pupil Organization Membership Dues and Fees	1,108,326
1740 Student Fees	34,655
1900 Other Receipts from Local Sources:	
1920 Contributions & Donations Private Sources	517,510
1990 Miscellaneous Local Receipts:	
1999 Receipts from Other Local Sources	735
Total Local Sources	<u>3,605,266</u>
Total Receipts All Sources	<u>3,605,266</u>

Disbursements

100 Instruction

190 Instructional Pupil Activity:	
100 Salaries (optional)	94,975
200 Employee Benefits (optional)	21,210
400 Supplies and Materials (optional)	4,070
500 Capital Outlay (optional)	38,406
660 Instructional Pupil Activity	1,480,720
Total Instruction	<u>1,639,381</u>

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
FIDUCIARY FUND - PUPIL ACTIVITY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS
DUE TO SCHOOL ORGANIZATIONS
FOR THE YEAR ENDED JUNE 30, 2015**

200 Support Services

270 Support Services Pupil Activity

271 Pupil Services Activities:

100 Salaries (optional)	\$ 243,622
200 Employee Benefits (optional)	42,562
300 Purchased Services (optional)	12,048
500 Capital Outlay (optional)	6,579
660 Pupil Activity	1,564,467

272 Enterprise Activities:

100 Salaries (optional)	19,111
200 Employee Benefits (optional)	3,278
500 Capital Outlay (optional)	166
660 Pupil Activity	132,379

273 Trust and Agency Activities :

300 Purchased Services (optional)	33,400
660 Pupil Activity	4,120

Total Support Services

2,061,732

Total Disbursements

3,701,113

Other Financing Sources (Uses)

Interfund Transfers, From (To) Other Funds:

5210 Transfer from General Fund (Exclude Indirect Costs)	<u>226,209</u>
--	----------------

Total Other Financing Sources (Uses)

226,209

Excess/Deficiency of Receipts over Disbursements

\$ 130,362

Due to School Organizations, Beginning of Year

1,283,756

Due to School Organizations, End of Year

\$ 1,414,118

COMPONENT UNIT

CHARTER SCHOOL

The Charter School operates under a Charter granted by the District and is considered, under South Carolina Law, to be a public school and part of the District.

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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
COMPONENT UNIT - THE DISCOVERY SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

	<u>The Discovery School</u>
Assets	
Accounts Receivable	\$ 40,510
Total Assets	<u>\$ 40,510</u>
Liabilities and Fund Balances	
Liabilities	
Accounts Payable and Accrued Liabilities	40,510
Total Liabilities	<u>40,510</u>
Net Assets	
Unrestricted	<u>-</u>
Total Net Assets	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 40,510</u>

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
COMPONENT UNIT - THE DISCOVERY SCHOOL
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Actual</u>
Support and Revenue:	
Local Funding Passed Through Local School District	\$ 703,841
State Funding Passed Through Local School District	56,630
Federal Funding Passed Through Local School District	<u>28,668</u>
Total Support and Revenue	<u>789,139</u>
 Expenses:	
Instruction	478,194
Support Services	<u>310,945</u>
Total Expenses	<u>789,139</u>
Changes in Net Assets	<u>\$ -</u>
Net Assets, July 1, 2014	<u>-</u>
Net Assets, June 30, 2015	<u>\$ -</u>

**ADDITIONAL SCHEDULES
REQUIRED BY THE SOUTH CAROLINA
DEPARTMENT OF EDUCATION**

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**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
DETAILED SCHEDULE OF DUE TO STATE
DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
FOR FISCAL YEAR ENDED JUNE 30, 2015**

Program	Revenue/ Subfund Code	Description	Total Due June 30, 2015	Status of Amount Due to Grantors
School-to-Work Transition	3592/392	Unexpended Funds	\$ 4,623	Unpaid
Academic Alternatives	3594/394	Unexpended Funds	997	Unpaid
Lancaster County Project Prevent	4999/820	Unexpended Funds	8,783	Unpaid
Early Head Start	4999/827	Unexpended Funds	39,684	Unpaid
Extended School Year	4510/839	Unexpended Funds	1,031	Unpaid
Total			<u><u>\$ 55,118</u></u>	

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
LOCATION RECONCILIATION SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2015**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
10	Brooklyn Springs Elementary	Elementary Schools	School	\$ 3,863,128
12	Discovery School	Other Schools	School	789,139
13	Clinton Elementary	Elementary Schools	School	3,765,944
15	Erwin Elementary	Elementary Schools	School	3,648,319
16	Lancaster High School	High Schools	School	13,038,252
19	McDonald Green Elementary	Elementary Schools	School	3,523,270
20	North Elementary	Elementary Schools	School	4,804,852
22	South Middle	Middle Schools	School	4,384,603
23	Southside Early Childhood Center	Other Schools	School	2,692,544
24	Barr Street Learning Center	Other Schools	School	206,485
25	A.R. Rucker	Middle Schools	School	4,171,579
30	Andrew Jackson High	High Schools	School	5,460,425
33	Heath Springs Elementary	Elementary Schools	School	3,149,988
34	Kershaw Elementary	Elementary Schools	School	3,506,680
37	Andrew Jackson Middle	Middle Schools	School	3,944,302
40	Buford Middle	Middle Schools	School	3,855,904
41	Buford Elementary	Elementary Schools	School	4,435,822
43	Buford High	High Schools	School	5,275,620
50	Indian Land High	High Schools	School	6,476,792
51	Indian Land Elementary	Elementary Schools	School	4,760,110
52	Indian Land Middle	Middle Schools	School	4,338,900
53	Harrisburg Elementary School	Elementary Schools	School	7,825,942
11,17,60-99	District Wide	Non-School	Central	<u>30,505,509</u>

Total Expenditures/Disbursements for All Funds

\$ 128,424,109

The above expenditures are reconciled to the District's financial statements as follows:

General Fund (Subfund 100s)	82,474,398
Special Revenue Fund (Subfunds 200s, 800s and 900s)	13,191,876
Special Revenue EIA Fund (Subfunds 300s)	4,697,662
Debt Service Fund (Subfunds 400s)	10,235,183
Capital Projects Fund (School Building)(Subfunds 500s)	8,666,144
Proprietary Fund (Food Service)(Subfund 600s)	5,457,733
Agency Fund (Pupil Activity)(Subfunds 700s)	<u>3,701,113</u>

Total by Fund

\$ 128,424,109

STATISTICAL SECTION

This part of Lancaster County School District's comprehensive annual financial report presents detailed information as a contest for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	102-106
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	107-110
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of understanding debt and the District's ability to issue additional debt in the future.	111-114
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other Districts.	115-117
Operating Information	
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	118-121

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
NET POSITION (DEFICIT) BY COMPONENT,
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Primary Government										
Governmental Activities										
Net Investment in Capital Assets	\$ 216,463	\$ 14,705,878	\$ 16,441,251	\$ 20,582,731	\$ 23,920,052	\$ 25,498,685	\$ 27,972,214	\$ 22,739,357	\$ 38,615,430	\$ 47,270,919
Restricted	33,313,592	23,505,283	14,748,100	13,201,942	11,267,256	15,952,388	16,610,712	23,821,437	13,619,093	8,706,914
Unrestricted**	11,068,122	8,048,729	12,276,843	10,404,535	11,193,834	12,679,479	15,305,628	18,968,579	(89,625,785)	(88,073,156)
Total Governmental Activities -										
Net Position (Deficit)	44,598,177	46,259,890	43,466,194	44,189,208	46,381,142	54,130,552	59,888,554	65,529,373	(37,391,262)	(32,095,323)
Business-Type Activities										
Investment in Capital Assets	679,414	611,098	798,128	764,181	679,606	570,429	470,369	455,985	531,604	1,109,933
Unrestricted	667,344	773,065	364,200	57,091	283,218	564,534	1,022,090	1,085,707	(910,488)	(1,077,253)
Total Business-Type Activities -										
Net Position	1,346,758	1,384,163	1,162,328	821,272	962,824	1,134,963	1,492,459	1,541,692	(378,884)	32,680
Total Primary Government										
Net Investment in Capital Assets	895,877	15,316,976	17,239,379	21,346,912	24,599,658	26,069,114	28,442,583	23,195,342	39,147,034	48,380,852
Restricted	33,313,592	23,505,283	14,748,100	13,201,942	11,267,256	15,952,388	16,610,712	23,821,437	13,619,093	8,706,914
Unrestricted**	11,735,466	8,821,794	12,641,043	10,461,626	11,477,052	13,244,013	16,327,718	20,054,286	(90,536,273)	(89,150,409)
Total Primary Government -										
Net Position (Deficit)	\$ 45,944,935	\$ 47,644,053	\$ 44,628,522	\$ 45,010,480	\$ 47,343,966	\$ 55,265,515	\$ 61,381,013	\$ 67,071,065	\$ (37,770,146)	\$ (32,062,643)

Note: Accrual basis of accounting.

** During fiscal year 2014-15, the District adopted GASBS 68, resulting in the reporting of its proportionate share of the net pension liability in the amount of \$110,080,922 from its cost-sharing retirement systems. The District's unrestricted net position (deficit) was restated by the amount noted above for the adjustment of the net pension liability, effective July 1, 2014.

Source: Comprehensive Annual Financial Report

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSES) REVENUES,
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
Instruction	\$ 51,626,212	\$ 56,144,595	\$ 59,757,292	\$ 61,108,147	\$ 61,056,481	\$ 54,761,743	\$ 55,826,663	\$ 58,954,051	\$ 60,978,687	\$ 64,637,304
Support Services	33,770,231	37,021,890	42,464,142	38,652,844	38,763,214	36,224,608	36,413,973	39,781,575	39,484,162	42,449,478
Community Services	1,090,264	989,101	1,147,450	1,094,083	1,093,580	1,139,831	1,176,010	1,305,910	1,147,511	987,968
Intergovernmental	924,574	-	-	-	-	-	-	-	-	-
Interest and Other Charges	5,063,685	6,689,424	5,211,168	4,592,977	3,912,591	4,270,217	4,255,936	3,908,150	3,804,650	2,694,139
Pupil Activities	123,352	222,336	136,570	313,165	133,669	119,900	344,787	168,300	195,706	226,209
Total Governmental Activities Expenses	92,598,318	101,067,346	108,716,622	105,761,216	104,959,535	96,516,299	98,017,369	104,117,986	105,610,716	110,995,098
Business-Type Activities:										
Food Service	3,832,338	3,991,577	4,612,946	4,816,495	4,660,324	4,808,028	4,919,588	5,152,584	4,913,072	5,457,733
Total Business-Type Activities Expenses	3,832,338	3,991,577	4,612,946	4,816,495	4,660,324	4,808,028	4,919,588	5,152,584	4,913,072	5,457,733
Total Primary Government Expenses	\$ 96,430,656	\$ 105,058,923	\$ 113,329,568	\$ 110,577,711	\$ 109,619,859	\$ 101,324,327	\$ 102,936,957	\$ 109,270,570	\$ 110,523,788	\$ 116,452,831
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	66,218	90,966	103,082	85,244	58,021	61,994	86,903	30,054	16,572	21,617
Support Services	-	-	-	-	-	-	-	19,822	10,494	13,812
Community Services	-	-	-	-	-	-	-	696	327	351
Operating Grants and Contributions	54,789,919	58,159,659	62,216,670	60,819,394	61,170,815	54,411,245	54,664,412	58,591,726	59,014,988	62,730,886
Capital Grants and Contributions	608,544	55,924	156,414	478,096	6,982	4,034	3,119	-	-	-
Total Governmental Activities Program Revenues	55,464,681	58,306,549	62,476,166	61,382,734	61,235,818	54,477,273	54,754,434	58,642,298	59,042,381	62,766,666
Business-Type Activities:										
Charges for Services	1,304,039	1,421,104	1,447,390	1,397,902	1,469,114	1,572,107	1,611,509	1,550,131	1,453,478	1,429,613
Operating Grants and Contributions	2,623,988	2,792,462	3,140,152	3,279,631	3,554,868	3,625,926	3,899,979	3,939,279	3,919,468	4,105,555
Total Business-Type Activities Program Revenues	3,928,027	4,213,566	4,587,542	4,677,533	5,023,982	5,198,033	5,511,488	5,489,410	5,372,946	5,535,168
Total Primary Government Program Revenues	59,392,708	62,520,115	67,063,708	66,060,267	66,259,800	59,675,306	60,265,922	64,131,708	64,415,327	68,301,834
Net (Expense) Revenue										
Governmental Activities	(37,133,637)	(42,760,797)	(46,240,456)	(44,378,482)	(43,723,717)	(42,039,026)	(43,262,935)	(45,475,688)	(46,568,335)	(48,228,432)
Business-Type Activities	95,689	221,989	(25,404)	(138,962)	363,658	390,005	591,900	336,826	459,874	77,435
Total Primary Governmental Net (Expense) Revenue	\$ (37,037,948)	\$ (42,538,808)	\$ (46,265,860)	\$ (44,517,444)	\$ (43,360,059)	\$ (41,649,021)	\$ (42,671,035)	\$ (45,138,862)	\$ (46,108,461)	\$ (48,150,997)

Note: Accrual basis of accounting.

Source: Comprehensive Annual Financial Report

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 20,438,529	\$ 21,987,046	\$ 19,614,988	\$ 21,718,638	\$ 22,820,813	\$ 21,797,653	\$ 23,793,704	\$ 24,169,532	\$ 25,105,438	\$ 26,823,264
Property Taxes, Levied for Debt Service	6,520,465	8,480,905	10,013,927	10,880,468	10,303,300	10,077,072	12,013,049	13,292,168	12,592,622	13,178,410
Unrestricted Grants, Aide and Contributions	6,472,147	6,333,232	12,266,528	11,983,804	12,435,746	12,656,324	12,894,313	13,229,236	13,564,970	13,779,684
Unrestricted Investment Earnings	2,577,578	2,627,828	1,286,634	283,331	103,229	115,775	57,831	73,410	57,831	54,965
Gain on Sale of Capital Assets	-	4,739,640	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	4,894,906	-	-	-	-
Miscellaneous	1,080	54,340	61,269	29,782	29,187	26,771	26,871	64,569	27,311	22,177
Transfers	203,438	199,519	203,414	205,473	223,376	219,935	235,169	287,592	259,326	(334,129)
Total Governmental Activities	36,213,237	44,422,510	43,446,760	45,101,496	45,915,651	49,788,436	49,020,937	51,116,507	51,607,498	53,524,371
Business-Type Activities:										
Unrestricted Investment Earnings	14,791	14,935	6,983	3,379	1,270	2,069	765	-	-	-
Miscellaneous	26,472	-	-	-	-	-	-	-	-	-
Transfers	(203,438)	(199,519)	(203,414)	(205,473)	(223,376)	(219,935)	(235,169)	(287,592)	(259,326)	334,129
Total Business-Type Activities	(162,175)	(184,584)	(196,431)	(202,094)	(222,106)	(217,866)	(234,404)	(287,592)	(259,326)	334,129
Total Primary Government	36,051,062	44,237,926	43,250,329	44,899,402	45,693,545	49,570,570	48,786,533	50,828,915	51,348,172	53,858,500
Change in Net Position										
Governmental Activities	(920,400)	1,661,713	(2,793,696)	723,014	2,191,934	7,749,410	5,758,002	5,640,819	5,039,163	5,295,939
Business-Type Activities	(66,486)	37,405	(221,835)	(341,056)	141,552	172,139	357,496	49,234	200,548	411,564
Total Change in Net Position-Primary Government	<u>\$ (986,886)</u>	<u>\$ 1,699,118</u>	<u>\$ (3,015,531)</u>	<u>\$ 381,958</u>	<u>\$ 2,333,486</u>	<u>\$ 7,921,549</u>	<u>\$ 6,115,498</u>	<u>\$ 5,690,053</u>	<u>\$ 5,239,711</u>	<u>\$ 5,707,503</u>

Note: Accrual basis of accounting.

Source: Comprehensive Annual Financial Report

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved*	\$ 46,511	\$ 89,715	\$ 106,575	\$ 35,064	\$ 6,811	N/A	N/A	N/A	N/A	N/A
Unreserved										
Designated for Subsequent Years	2,585,148	3,456,085	2,651,809	1,520,434						
Undesignated	12,404,514	11,735,638	11,753,390	10,259,136	11,284,835	N/A	N/A	N/A	N/A	N/A
Total General Fund	\$ 15,036,173	\$ 15,281,438	\$ 14,511,774	\$ 11,814,634	\$ 11,291,646	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund**										
Nonspendable:										
Prepaid Expenditures	N/A	N/A	N/A	N/A	N/A	\$ 69,943	-	-	-	-
Assigned:										
Subsequent Year Expenditures	N/A	N/A	N/A	N/A	N/A	831,936	\$ 954,973	\$ 2,423,778	\$ 2,772,134	\$ 3,058,770
Encumbered Operating Expenditures	N/A	N/A	N/A	N/A	N/A	71,971	36,355	53,515	32,952	39,411
Unassigned	N/A	N/A	N/A	N/A	N/A	11,425,838	14,567,464	15,269,599	15,848,013	17,664,234
Total General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,399,688	\$ 15,558,792	\$ 17,746,892	\$ 18,653,099	\$ 20,762,415
All Other Governmental Funds										
Reserved for:										
Debt Service	1,953,594	2,146,610	1,668,140	1,883,466	2,077,477	N/A	N/A	N/A	N/A	N/A
Debt Service LEAP	6,857,321	6,885,680	6,821,837	6,612,593	6,585,984	N/A	N/A	N/A	N/A	N/A
Capital Projects	1,607,423	7,343,335	4,176,572	2,775,727	1,533,182	N/A	N/A	N/A	N/A	N/A
Capital Projects LEAP	23,426,440	6,892,499	1,831,137	1,500,556	534,546	N/A	N/A	N/A	N/A	N/A
Unreserved, Reported in:										
Special Revenue Funds	(24,520)	267,742	976	976	-	N/A	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	\$ 33,820,258	\$ 23,535,866	\$ 14,498,662	\$ 12,773,318	\$ 10,731,189	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds**										
Restricted:										
Debt Service	N/A	N/A	N/A	N/A	N/A	1,502,646	3,406,898	4,985,399	3,876,497	2,429,626
Debt Service LEAP	N/A	N/A	N/A	N/A	N/A	6,585,886	6,586,124	-	-	-
Capital Projects	N/A	N/A	N/A	N/A	N/A	7,116,888	6,143,482	18,836,038	9,164,307	5,649,217
Capital Projects LEAP	N/A	N/A	N/A	N/A	N/A	123,888	4	-	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,329,308	\$ 16,136,508	\$ 23,821,437	\$ 13,040,804	\$ 8,078,843

Notes: Modified accrual basis of accounting.

*Includes encumbrances, inventory and prepaid items

** The 2011-2015 funds balances for the General Fund and all other Governmental Funds are reported based on the requirements under GASBS 54. The fund balances for years ended 2006-2010 are not reported under GASBS 54.

Source: Comprehensive Annual Financial Report

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, DEBT SERVICE RATIO, OTHER FINANCING SOURCES AND USES AND CHANGE IN FUND BALANCES,
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Local Sources:										
State Sources	\$ 31,418,688	\$ 34,354,429	\$ 32,676,653	\$ 34,459,057	\$ 35,010,912	\$ 38,681,391	\$ 38,108,648	\$ 38,658,902	\$ 38,707,044	\$ 41,077,473
Federal Sources	51,033,501	52,430,635	61,757,264	59,570,816	52,914,562	51,274,749	56,666,075	60,801,115	61,014,242	64,873,342
	9,022,291	10,097,836	11,269,677	11,507,063	18,494,227	13,646,168	9,457,423	9,759,753	10,453,133	10,354,226
Total Revenues	91,474,480	96,882,900	105,703,594	105,536,936	106,419,701	103,602,308	104,232,146	109,219,770	110,174,419	116,305,041
Expenditures										
Instruction	50,002,675	52,508,322	58,671,380	59,082,085	58,952,570	52,547,193	53,634,111	56,699,790	58,591,844	61,275,287
Support Services	29,873,533	32,567,251	38,944,640	40,637,731	37,655,391	34,217,717	35,330,570	37,395,242	37,146,008	39,150,676
Community Services	1,063,916	968,072	1,147,450	1,094,083	1,093,580	1,139,831	1,176,010	1,305,910	1,147,511	987,968
Pupil Activities	-	-	-	-	-	119,900	344,787	168,300	195,706	226,209
Intergovernmental	924,574	737,522	749,709	806,061	789,155	778,140	792,327	809,899	830,697	925,366
Debt Service:										
Principal	6,875,000	7,475,000	2,140,000	2,205,000	2,690,000	2,890,000	3,100,000	12,490,000	5,310,000	7,200,000
Interest and Fiscal Charges	5,142,789	5,042,843	4,860,950	3,564,259	5,357,507	4,358,333	4,240,673	5,001,203	3,300,470	3,039,166
Other Objects	-	-	-	-	-	-	-	-	1,290	-
Capital Outlay	15,393,563	17,850,200	8,998,177	3,128,620	2,561,322	2,064,968	1,882,533	2,806,411	13,786,645	6,686,801
Total Expenditures	109,276,050	117,149,210	115,512,306	110,517,839	109,099,525	98,116,082	100,501,011	116,676,755	120,310,171	119,491,473
Excess (Deficiency) of Revenues Over Expenditures	(17,801,570)	(20,266,310)	(9,808,712)	(4,980,903)	(2,679,824)	5,486,226	3,731,135	(7,456,985)	(10,135,752)	(3,186,432)
Other Financing Sources (Uses)										
Sale of Capital Assets		4,757,000			25,000				2,000	
Premium on Bonds Sold	9,401							7,747,382		
Proceeds of General Obligation Bonds	5,000,000	5,500,000						21,720,000		
Proceeds of Refund Debt			9,375,000	18,255,000				60,355,000		
Payment to Refunded Debt Escrow Agent			(9,440,000)	(17,725,000)				(72,779,959)		
Medicaid Reimbursements										
Operating Transfers In	2,405,597	3,776,442	3,063,214	3,604,237	10,020,591	11,594,034	11,277,483	7,121,305	11,914,802	12,189,683
Operating Transfers (Out)	(2,325,510)	(3,806,259)	(2,996,370)	(3,575,818)	(9,930,884)	(11,374,099)	(11,042,314)	(6,833,713)	(11,655,476)	(11,855,896)
Miscellaneous Other Financing Sources										
Total Other Financing Sources (Uses)	5,089,488	10,227,183	1,844	558,419	114,707	219,935	235,169	17,330,015	261,326	333,787
Net Change in Fund Balances	<u>\$ (12,712,082)</u>	<u>\$ (10,039,127)</u>	<u>\$ (9,806,868)</u>	<u>\$ (4,422,484)</u>	<u>\$ (2,565,117)</u>	<u>\$ 5,706,161</u>	<u>\$ 3,966,304</u>	<u>\$ 9,873,030</u>	<u>\$ (9,874,426)</u>	<u>\$ (2,852,645)</u>
Debt Service as a Percentage of Noncapital Expenditures	12.42%	11.94%	6.55%	5.50%	7.66%	7.67%	7.30%	15.43%	8.13%	8.66%

Note: Modified accrual basis of accounting.
Source: Comprehensive Annual Financial Report
Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS

Fiscal Year	Real Property			Personal Property			Total		Total Direct Rate	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		
2006	\$ 121,546,145	\$ 2,433,252,221		\$ 64,855,435	\$ 679,641,458		\$ 186,401,580	\$ 3,112,893,679	182.0	5.99%
2007	162,587,950	3,332,779,960		71,203,051	737,248,972		233,791,001	4,070,028,932	157.5	5.74%
2008	177,479,354	3,661,535,838		73,291,963	772,983,709		250,771,317	4,434,519,547	167.0	5.65%
2009	201,753,816	4,223,965,667		75,404,200	821,602,457		277,158,016	5,045,568,124	172.0	5.49%
2010	211,761,152	4,483,636,367		74,113,190	784,691,724		285,874,342	5,268,328,091	172.0	5.43%
2011	215,604,040	4,591,062,583		59,733,425	739,712,513		275,337,465	5,330,775,096	175.3	5.17%
2012	221,005,620	4,742,031,500		60,511,398	765,238,561		281,517,018	5,507,270,061	183.5	5.11%
2013	223,980,320	4,831,654,250		63,738,973	814,133,088		287,719,293	5,645,787,338	187.0	5.10%
2014	231,213,120	4,997,842,833		67,047,533	886,988,462		298,260,653	5,884,831,295	188.0	5.07%
2015	241,517,630	5,255,368,533		70,595,396	929,769,467		312,113,026	6,185,138,000	192.5	5.05%

Source: Lancaster County Auditor

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES,
LAST TEN FISCAL YEARS**

Fiscal Year	School Direct Rates			Overlapping Rates				Total
	School Operating Rate	School Debt Service	Total Direct	Lancaster County	University of South Carolina(A)	City of Lancaster	City of Kershaw	
2006	143.50	38.50	182.00	86.50	3.50	150.00	78.80	500.80
2007	119.00	38.50	157.50	71.50	3.00	137.00	64.80	433.80
2008	123.50	43.50	167.00	75.90	3.10	140.00	64.80	450.80
2009	128.50	43.50	172.00	82.20	3.30	143.50	64.80	465.80
2010	133.50	38.50	172.00	80.90	3.30	143.50	69.30	469.00
2011	136.75	38.50	175.25	83.60	3.40	143.50	70.90	476.65
2012	140.00	43.50	183.50	83.00	3.60	143.50	69.90	483.50
2013	140.00	47.00	187.00	85.10	3.80	149.70	72.10	497.70
2014	145.00	43.00	188.00	90.41	3.95	154.70	75.00	512.06
2015	149.50	43.00	192.50	92.80	4.10	156.90	75.00	521.30

Note: (A) Local levy for University of South Carolina at Lancaster.
The school district may increase millage annually by the lesser of five mills as authorized by
Act 179 or the Act 388 limitations.

Source: Lancaster County Auditor

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total School District Taxable Assessed Value*	Taxable Assessed Value	Rank	Percentage of Total School District Taxable Assessed Value**
Duke Energy Corporation	\$ 8,013,310	1	2.57%	\$ 6,744,170	2	3.62%
Lancaster Hospital Corp.	4,355,710	2	1.40%	3,531,190	4	1.89%
The Gillette Company	4,215,682	3	1.35%	5,331,119	3	2.86%
Haile Gold Mine	1,919,566	4	0.62%			
Pulte Home Corporation	1,709,460	5	0.55%			
Springs Global (A)	1,463,180	6	0.47%	8,235,152	1	4.42%
Lancaster Telephone Co.	1,398,540	7	0.45%	1,542,100	6	0.83%
Springland Associates, LLC	1,322,840	8	0.42%	2,175,240	5	1.17%
Lynches River Electric	1,314,840	9	0.42%	881,060	8	0.47%
HSBC WAP, LP	1,302,184	10	0.42%			
Belden CDT Networking Inc.				1,488,540	7	0.80%
Cardinal Health 200, Inc.				814,346	9	0.44%
Founders Federal CU				645,660	10	0.35%
Total Assessed Value	<u>\$ 27,015,312</u>		<u>8.67%</u>	<u>\$ 31,388,577</u>		<u>16.85%</u>

Note:

* Taxpayers are assessed on January 1, 2014 for the 2015 fiscal year.

** Taxpayers are assessed on January 1, 2005 for the 2006 fiscal year.

(A) Springs Global announced that it will cease manufacturing operations in the County August 31, 2007. It will continue a distribution and warehouse operation in the County.

Source: Lancaster County Treasurer

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 27,411,596	\$ 26,534,399	96.80%	\$ 808,756	\$ 27,343,155	99.75%
2007	29,100,428	28,968,373	99.55%	57,830	29,026,203	99.74%
2008	29,223,472	29,046,049	99.39%	83,184	29,129,233	99.68%
2009	33,096,441	30,869,911	93.27%	1,958,147	32,828,058	99.19%
2010	33,513,231	31,342,185	93.52%	1,659,750	33,001,935	98.47%
2011	32,778,823	30,239,000	92.25%	1,954,720	32,193,720	98.21%
2012	35,337,343	33,436,170	94.62%	1,478,246	34,914,416	98.80%
2013	36,375,440	34,630,857	95.20%	1,202,867	35,833,724	98.51%
2014	37,371,998	35,548,973	95.12%	1,224,389	36,773,362	98.40%
2015	39,621,616	37,589,271	94.87%	-	37,589,271	94.87%

Source: Lancaster County Finance Department

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
RATIOS OF OUTSTANDING
DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	LEAP Bonds	Note Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2006	\$ 31,235,000	\$ 70,495,462		\$ 101,730,462	6.85%	\$ 1,621
2007	29,260,000	70,480,709		99,740,709	6.47%	1,568
2008	27,277,735	70,420,956		97,698,691	6.02%	1,331
2009	25,590,617	70,256,203		95,846,820	5.47%	1,263
2010	23,133,499	69,996,450		93,129,949	5.23%	1,198
2011	20,586,381	69,626,697	\$ 73,625	90,286,703	4.69%	1,149
2012	17,934,263	69,151,944	55,219	87,141,426	4.23%	1,119
2013	29,287,120	61,957,211	36,813	91,281,144	3.94%	1,154
2014	25,149,199	65,026,062	18,406	90,193,667	Not Available	1,121
2015	20,041,278	62,349,052		82,390,330	Not Available	991

Notes: Details regarding the School District's outstanding debt can be found in the notes to the financial statements. Debt reflected includes debt incurred by Lancaster Education Assistance Program (LEAP).

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
RATIOS OF GENERAL BONDED
DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<u>General Bonded Debt Outstanding</u>							
Fiscal Year	General Obligation Bonds	LEAP Bonds	Total	Less Debt Service	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property (A)	Per Capital (B)
2006	\$ 31,235,000	\$ 70,495,462	\$ 101,730,462	\$ 8,810,915	\$ 92,919,547	2.98%	\$ 1,481
2007	29,260,000	70,480,709	99,740,709	9,032,290	90,708,419	2.23%	1,426
2008	27,277,735	70,420,956	97,698,691	8,489,977	89,208,714	2.01%	1,215
2009	25,590,617	70,256,203	95,846,820	8,496,059	87,350,761	1.73%	1,151
2010	23,133,499	69,996,450	93,129,949	8,663,461	84,466,488	1.60%	1,086
2011	20,586,381	69,626,697	90,213,078	8,088,532	82,124,546	1.54%	1,045
2012	17,934,263	69,151,944	87,086,207	9,993,022	77,093,185	1.40%	990
2013	29,287,120	61,957,211	91,244,331	4,985,399	86,258,932	1.53%	1,091
2014	25,149,199	65,026,062	90,175,261	3,876,497	86,298,764	1.47%	1,073
2015	20,041,278	62,349,052	82,390,330	2,429,626	79,960,704	1.29%	962

Notes: Details regarding the School District's outstanding debt can be found in the notes to the financial statements.

(A) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(B) Population data can be found in the Schedule of Demographic Economic Statistics.

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Lancaster County	\$ 51,041,102	100%	\$ 51,041,102
City of Lancaster	700,647	100%	<u>700,647</u>
Subtotal, Overlapping Debt			<u>51,741,749</u>
District Direct Debt			<u>82,390,330</u>
Total Direct and Overlapping Debt			<u><u>\$ 134,132,079</u></u>

Source: Debt outstanding data provided by each governmental unit

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015
Assessed Value \$ 312,113,026
Debt Limit (8% of Assessed Value) 24,969,042
Debt Applicable to Limit 8,560,000
Legal Debt Margin \$ 16,409,042

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 14,934,568	\$ 18,703,280	\$ 20,061,705	\$ 22,172,641	\$ 22,869,947	\$ 22,026,997	\$ 22,521,361	\$ 23,017,543	\$ 23,860,852	\$ 24,969,042
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	12,660,000	11,105,000	8,560,000
Legal Debt Margin	\$ 14,934,568	\$ 18,703,280	\$ 20,061,705	\$ 22,172,641	\$ 22,869,947	\$ 22,026,997	\$ 22,521,361	\$ 10,357,543	\$ 12,755,852	\$ 16,409,042
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	55.00%	46.54%	34.28%

Notes: Pursuant to the provisions of Section 15 of Article X of the Constitution of the State of South Carolina, the District may borrow that sum of money which is equal to 8% of the last completed assessment of all taxable property located in the District without the necessity of conducting a referendum.

Debt reflected is for the School District and does not include debt incurred by Lancaster Education Assistance Program (LEAP).

Source: Finance Department of Lancaster County School District

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS,
LAST TEN CALENDAR YEARS**

Calendar Year	Estimated Population (A)	Personal Income (A) (thousands of dollars)	Per Capita Personal Income (A)	School Enrollment (B)	Unemployment Rate (A)
2005	62,760	\$ 1,485,689	\$ 23,560	11,023	8.6%
2006	63,628	1,542,045	21,500	11,171	9.8%
2007	73,393	1,623,406	22,076	11,274	10.9%
2008	75,913	1,752,832	23,102	11,508	11.8%
2009	77,767	1,780,653	22,897	11,401	18.5%
2010	78,582	1,926,356	25,030	11,378	15.8%
2011	77,908	2,049,128	26,302	11,554	12.7%
2012	79,089	2,316,469	29,289	11,581	11.6%
2013	80,458	(C)	30,834	11,760	7.7%
2014	83,160	(C)	(C)	12,094	6.5%

Sources:

(A) The information includes totals for Lancaster County and was obtained from South Carolina Division of Research and Statistical Services, South Carolina Employment Security Commission and U.S. Bureau of the Census.

(B) Based on 135-day report.

(C) Information not available

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO**

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Red Ventures	1,600	1	4.52%			
Lancaster County School District	1,569	2	4.43%	1,524	1	5.11%
Lancaster County	837	3	2.36%	467	6	1.57%
Cardinal Health	800	4	2.26%	700	4	2.35%
Springs Memorial Hospital	700	5	1.98%	800	3	2.68%
Continental Tire	430	6	1.21%			
Duracell, USA	405	7	1.14%	601	5	2.01%
URS Nuclear	400	8	1.13%			
Wal-Mart - Indian Land	365	9	1.03%			
Wal-Mart - Lancaster	358	10	1.01%	300	9	1.01%
Springs Global (A)				1,500	2	5.03%
Humana (Kanawha)				360	7	1.21%
US Textiles Corp				330	8	1.11%
Founders Federal CU				268	10	0.90%
Total	7,464		21.07%	6,850		22.98%

Note:

(A) Springs Global ceased manufacturing operations in the County August 31, 2007.

However, it continues a distribution and warehouse operation in the County.

Source: Lancaster County Economic Development Corporation

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
FULL-TIME EQUIVALENT SCHOOL DISTRICT
EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS

Function/Program	Full-Time-Equivalent District Employees as of June 30										Percentage Change 2006-2015
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Instruction											
Teachers	784	791	819	833	817	739	729	761	763	777	-0.89%
Aides	160	167	178	181	178	164	160	163	165	175	9.38%
Total Instruction	944	958	997	1,014	995	903	889	924	928	952	0.85%
Support Services											
Guidance Counselors	31	32	39	42	35	33	33	33	33	35	12.90%
Psychologist and Social Workers	8	9	10	12	12	11	11	11	11	12	50.00%
Media Specialists	20	19	20	20	20	20	20	20	20	21	5.00%
Nurses	20	20	23	23	23	23	23	23	24	25	25.00%
Instructional Staff Services	53	63	65	67	64	60	62	59	58	61	15.09%
Principals	17	17	17	18	18	18	18	18	18	19	11.76%
Assistant Principals	25	26	31	31	30	30	28	32	32	35	40.00%
Instructional Specialists	9	8	7	6	3	3	3	3	3	3	-66.67%
Noninstructional Administrators	26	26	27	27	27	27	26	25	26	27	3.85%
General and Finance Administrative Assistants	74	77	82	89	89	87	87	88	88	94	27.03%
Bus Drivers, Bus Aids and Maintenance	84	87	89	92	94	97	98	101	102	108	28.57%
Total Support Services	367	384	410	427	415	409	409	413	415	440	19.89%
Community Services	35	34	37	36	37	38	38	42	20	19	-45.71%
Pupil Activity	-	-	-	-	-	-	-	-	-	-	-
Food Service											
Managers and Clerical	22	22	23	22	23	23	23	23	23	23	4.55%
Cafeteria Staff	107	107	108	105	102	100	100	103	102	101	-5.61%
Total Food Service	129	129	131	127	125	123	123	126	125	124	-3.88%
Total	1,475	1,505	1,575	1,604	1,572	1,473	1,459	1,505	1,488	1,535	4.07%

Source: Lancaster County School District Accounting Department

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
OPERATING STATISTICS,
LAST TEN FISCAL YEARS

Fiscal Year	School Enrollment	Operating Expenditures	Cost		Percentage Change	Expenses	Cost		Percentage Change	Teaching Staff	Pupil		Percentage of Students Receiving Free or Reduced-Price Meals
			per Pupil	per Pupil			per Pupil	Teacher Ratio					
2006	11,023	\$ 79,525,498	\$ 7,215	\$ 8,748	6.55%	\$ 96,430,656	\$ 8,748	4.50%	784	14.06	50%		
2007	11,171	84,296,825	7,546	9,405	4.60%	105,058,923	9,405	7.50%	791	14.12	50%		
2008	11,274	94,691,165	8,399	10,052	11.30%	113,329,568	10,052	6.89%	819	13.77	49%		
2009	11,508	96,098,397	8,351	9,609	-0.58%	110,577,711	9,609	-4.41%	833	13.82	52%		
2010	11,401	95,401,264	8,368	9,611	0.21%	109,574,383	9,611	0.02%	817	13.95	54%		
2011	11,378	86,687,084	7,619	8,905	-8.95%	101,324,327	8,905	-7.34%	739	15.40	55%		
2012	11,554	88,182,407	7,632	8,909	0.18%	102,936,957	8,909	0.04%	729	15.85	57%		
2013	11,581	92,786,835	8,012	9,435	4.98%	109,270,570	9,435	5.91%	761	15.22	56%		
2014	11,760	95,870,618	8,152	9,398	1.75%	110,523,788	9,398	-0.39%	763	15.41	56%		
2015	12,094	99,477,073	8,225	9,629	0.90%	116,452,831	9,629	2.45%	777	15.56	56%		

Notes: Operating expenditures are total expenditures less debt service and capital outlays.

Source: Nonfinancial information from district records.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
TEACHER BASE SALARIES,
LAST TEN FISCAL YEARS**

Fiscal Year	Minimum Salary	Maximum Salary	County Average Salary (A)	Statewide Average Salary (B)
2006	\$ 28,918	\$ 61,546	\$ 42,155	\$ 43,011
2007	30,145	64,158	44,065	44,336
2008	31,492	67,023	45,673	45,758
2009	32,706	69,607	47,263	47,004
2010	32,706	69,607	48,221	47,421
2011	32,706	69,607	47,741	47,642
2012	32,706	69,607	47,140	47,050
2013	33,361	71,002	48,481	47,050
2014	33,361	71,002	49,252	48,375
2015	33,361	71,002	49,451	48,930

Source: (A) District records
(B) SC Department of Education

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHOOL BUILDING INFORMATION,
LAST TEN FISCAL YEARS

<u>School</u>	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary School										
Brooklyn Springs(1962)										
Square feet	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682
Capacity	908	908	908	908	908	908	908	908	908	908
Enrollment	584	575	564	505	440	419	425	446	470	486
Buford(2002)										
Square feet	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capacity	965	965	965	965	965	965	965	965	965	965
Enrollment	863	883	878	865	816	800	771	745	764	741
Central(1957)										
Square feet	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004
Capacity	238	238	238	238	238	238	238	238	238	238
Enrollment	108	108	107	107	108	108	108	107	106	107
Clinton(1948)										
Square feet	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460
Capacity	671	671	671	671	671	671	671	671	671	671
Enrollment	387	386	390	398	372	372	380	324	347	375
Erwin(1975)										
Square feet	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450
Capacity	629	629	629	629	629	629	629	629	629	629
Enrollment	451	426	423	408	408	451	463	458	446	465
Harrisburg (2014)										
Square feet	-	-	-	-	-	-	-	-	-	92,995
Capacity	-	-	-	-	-	-	-	-	-	980
Enrollment	-	-	-	-	-	-	-	-	-	863
Heath Springs(1954)										
Square feet	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456
Capacity	378	378	378	378	378	378	378	378	378	378
Enrollment	343	357	373	388	396	391	411	404	401	388
Indian Land Elem/Mid(1998)										
Square feet	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000
Capacity	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006
Enrollment	1,077	1,247	1,451	1,090	1,169	1,200	1,309	1,383	1,521	856
Kershaw(1952)										
Square feet	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909
Capacity	646	646	646	646	646	646	646	646	646	646
Enrollment	495	479	462	501	486	466	432	450	450	438
McDonald Green(1949)										
Square feet	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914
Capacity	524	524	524	524	524	524	524	524	524	524
Enrollment	498	502	479	487	469	490	481	471	480	513
North(1966)										
Square feet	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763
Capacity	855	855	855	855	855	855	855	855	855	855
Enrollment	578	618	636	644	668	689	698	706	696	666
Southside(1954)										
Square feet	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466
Capacity	315	315	315	315	315	315	315	315	315	315
Enrollment	2	3	2	-	1	-	-	3	-	-
Middle School										
A.R. Rucker(2002)										
Square feet	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Capacity	916	916	916	916	916	916	916	916	916	916
Enrollment	577	528	509	511	519	528	543	523	553	538
Andrew Jackson(1984)										
Square feet	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939
Capacity	653	653	653	653	653	653	653	653	653	653
Enrollment	470	484	487	474	482	495	526	513	466	476

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHOOL BUILDING INFORMATION,
LAST TEN FISCAL YEARS**

School	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>School</u>										
Buford(1956)										
Square feet	59,258	72,041	72,041	72,041	72,041	72,041	72,041	72,041	72,041	72,041
Capacity	683	859	859	859	859	859	859	859	859	859
Enrollment	444	465	439	449	443	488	494	478	455	431
Indian Land(1981)										
Square feet	-	-	100,948	100,948	100,948	100,948	100,948	100,948	100,948	100,948
Capacity	-	-	750	750	750	750	750	750	750	750
Enrollment	-	-	N/A	507	521	535	573	608	662	726
South(1962)										
Square feet	94,009	108,509	108,509	108,509	108,509	108,509	108,509	108,509	108,509	108,509
Capacity	1,019	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151
Enrollment	769	733	691	639	626	598	591	605	576	529
<u>High School</u>										
Andrew Jackson(1969)										
Square feet	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515
Capacity	788	788	788	788	788	788	788	788	788	788
Enrollment	566	577	582	621	610	615	593	597	605	654
Buford(1993)										
Square feet	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503
Capacity	599	599	599	599	599	599	599	599	599	599
Enrollment	561	555	582	602	588	567	600	609	617	643
Indian Land(1981)										
Square feet	88,498	88,498	-	-	-	-	-	-	-	-
Capacity	624	624	-	-	-	-	-	-	-	-
Enrollment	481	525	-	-	-	-	-	-	-	-
Indian Land(2008)										
Square feet	-	-	142,657	142,657	142,657	142,657	142,657	142,657	142,657	142,657
Capacity	-	-	800	800	800	800	800	800	800	800
Enrollment	-	-	557	597	639	655	708	759	789	843
Lancaster(1993)										
Square feet	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755
Capacity	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749
Enrollment	1,768	1,718	1,662	1,715	1,640	1,511	1,448	1,392	1,356	1,356
<u>Other</u>										
Lancaster										
Vocational(1964)	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233
Rice Building(1956)	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556
Barr Street(1956)	48,849	48,849	48,849	48,849	48,849	48,849	48,849	48,849	48,849	48,849
Learn TV(1993)	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448
Bus Office Buford(2001)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Catawba St. Administrative	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863
Springdale Rd. Maintenance	-	-	-	-	-	-	40,949	40,949	40,949	40,949

Note: Springdale Road Maintenance buildings purchased in 2012.

New Indian Land High School constructed in 2008. Old Indian Land High became new middle school and elementary/
middle became Indian Land Elementary.

N/A - Not Available

Source: District records.

SINGLE AUDIT SECTION

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	PARTNERS			ASSOCIATES		
C.C. McGregor, CPA 1906–1968	W.C. Stevenson, CPA B.T. Kight, CPA G.D. Skipper, CPA L.R. Leaphart, Jr, CPA M.J. Binnicker, CPA W.W. Francis, CPA	D.L. Richardson, CPA E.C. Inabinet, CPA S.S. Luoma, CPA T.M. McCall, CPA H.D. Brown, Jr, CPA L.B. Salley, CPA	D.K. Strickland, CPA J.P. McGuire, CPA L.H. Kelly, CPA	V.K. Laroche, CPA G.N. Mundy, CPA M.L. Layman, CPA P.A. Betette, Jr, CPA S. Wo, CPA C.D. Hincee, CPA	J.R. Matthews II, CPA G.P. Davis, CPA H.J. Darver, CPA D.M. Herpel, CPA H.O. Crider, Jr, CPA F.C. Gillam, CPA	M.L. Goode, CPA B.A.G. Felch, CPA H.S. Mims, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Chairman and
Board of Trustees
Lancaster County School District
Lancaster, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster County School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 9, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lancaster County School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lancaster County School District's internal control.

A deficiency in internal control exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. Finding 2015-001

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lancaster County School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lancaster County School District's Response to Findings

The Lancaster County School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGuire & Company, LLP

Columbia, South Carolina
November 9, 2015

	PARTNERS			ASSOCIATES		
C.C. McGregor, CPA 1906–1968	W.C. Stevenson, CPA B.T. Kight, CPA G.D. Skipper, CPA L.R. Leaphart, Jr, CPA M.J. Binnicker, CPA W.W. Francis, CPA	D.L. Richardson, CPA E.C. Inabinet, CPA S.S. Luoma, CPA T.M. McCall, CPA H.D. Brown, Jr, CPA L.B. Salley, CPA	D.K. Strickland, CPA J.P. McGuire, CPA L.H. Kelly, CPA	V.K. Laroche, CPA G.N. Mundy, CPA M.L. Layman, CPA P.A. Betette, Jr, CPA S. Wo, CPA C.D. Hinchee, CPA	J.R. Matthews II, CPA G.P. Davis, CPA H.J. Darver, CPA D.M. Herpel, CPA H.O. Crider, Jr, CPA F.C. Gillam, CPA	M.L. Goode, CPA B.A.G. Felch, CPA H.S. Mims, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Honorable Chairman and
Board of Trustees
Lancaster County School District
Lancaster, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the compliance of Lancaster County School District with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. Lancaster County School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor Responsibility

Our responsibility is to express an opinion on compliance for each of Lancaster County School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lancaster County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lancaster County School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Lancaster County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The management of Lancaster County School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lancaster County School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lancaster County School District's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

McGuire & Company, LLP

Columbia, South Carolina
November 9, 2015

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2015

Part I Summary of Auditors' Results

Financial Statements

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified? ☐ Yes ☒ No

Significant Deficiencies Identified That Are Not
Considered To Be Material Weaknesses ☒ Yes ☐ None Reported

Noncompliance Material to Financial Statements
Noted ☐ Yes ☒ No

Federal Awards

Internal Control Over Major Federal Programs:

Material Weakness(es) Identified? ☐ Yes ☒ No

Significant Deficiencies Identified That Are Not
Considered To Be Material Weaknesses ☐ Yes ☒ None Reported

Type of Auditors' Report Issued on Compliance for Major Federal Programs: Unmodified

Any Audit Findings Disclosed That are Required
To be Reported in Accordance With
Section 510(a) of OMB Circular A-133 ☐ Yes ☒ No

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2015

Part I Summary of Auditors' Results (Continued)

Identification of Major Federal Programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
10.555, 10.553, 10.559	Child Nutrition Cluster
93.600	Head Start Program Cluster

Dollar Threshold Used to Distinguish Between Type A and Type B Programs
\$ 433,810.

Auditee Qualified as Low-Risk Auditee? X Yes No

Part II Findings Related to Financial Statements

Internal Control

Finding 2015-001 – Significant Deficiency

Criteria: Sound internal control allows for proper recording of all significant capital assets during an accounting period.

Condition: The District's failure to record several significant capital assets resulted in a misstatement that is not material to the government-wide financial statements. Therefore, no audit adjustment was made at June 30, 2015.

Effect: There is potential that capital assets may not be properly capitalized causing capital assets and depreciation to be misstated.

Cause: The District's controls in place over identifying expenditures for capitalization did not properly account for all significant transactions required to be capitalized.

Auditor Recommendation: Management should improve control procedures over identifying items for inclusion in capital assets to ensure all significant transactions are properly accounted for.

Auditee's Response: The District's management plans to improve its controls in place over capitalization of expenditures to ensure all capital assets are properly recorded.

Compliance and Other Matters

None Reported

Part III Findings Related to Federal Awards

None Reported

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR FISCAL YEAR ENDED JUNE 30, 2015

Summary of Prior Year Findings

None Reported

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

LEA Subfund Code	Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U. S. Department of Agriculture				
Pass-Through State Department of Education: Child Nutrition Cluster (Major Program) :				
Non-Cash Assistance (Commodities):				
600	National School Lunch Program	10.555	N/A	\$ 370,708
	Non-Cash Assistance Subtotal			370,708
Cash Assistance:				
600	School Breakfast Program	10.553	N/A	804,620
600	National School Lunch Program	10.555	N/A	2,905,398
600	Summer Food Service Program for Children	10.559	N/A	25,376
	Cash Assistance Subtotal			3,735,394
	Total Child Nutrition Cluster (Major Program)			4,106,102
823	National School Lunch Equipment Program	10.579	15NSLE	10,000
Total U. S. Department of Agriculture				4,116,102
U. S. Department of Education				
Pass-Through State Department of Education:				
Title I Cluster				
201	Title I - Grants to LEA's	84.010	15BA049-01	3,104,862
201	Title I - Grants to LEA's	84.010	14BA049-01	336,001
237	Title I - Support Project	84.010	13BM049	42,468
	Total Title I Cluster			3,483,331
IDEA Cluster				
203	IDEA - Children with Disabilities	84.027	15CA049	2,258,381
203	IDEA - Children with Disabilities	84.027	14CA049	501,493
205	Special Education Pre-school Grant	84.173	15CG049	95,116
205	Special Education Pre-school Grant	84.173	14CG049	16,563
	Total IDEA Cluster			2,871,553
207	Vocational Education	84.048	15VA049	185,816
224	21st Century Community Learning Centers Program	84.287C	15CL049-20	103,982
224	21st Century Community Learning Centers Program	84.287C	15CL049-40	116,768
	Total CFDA 84.287C			220,750
243	Adult Education - Family Literacy Collaborative Program	84.002	15EA049-01	11,500
243	Adult Education	84.002	15EA049-01	99,303
243	Adult Education - Supplemental	84.002	13EA049-01	10,075
	Total CFDA 84.002			120,878
251	Title VI - Rural/Low Income	84.358B	14BS049	27,538

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

LEA Subfund Code	Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
264	Title III - Language Instruction for Limited English	84.365	15BP049	\$ 22,135
264	Title III - Language Instruction for Limited English	84.365	14BP049	50,057
	Total CFDA 84.365			<u>72,192</u>
267	Improving Teacher Quality	84.367	15TQ049	384,949
267	Improving Teacher Quality	84.367	14TQ049	2,283
	Total CFDA 84.367			<u>387,232</u>
809	Lancaster Full Service Community School	84.215J	U215J14022	85,094
820	Lancaster County Project Prevent	84.184M	S184M140019	233,458
	Total Passed-Through State Department of Education			<u>7,687,842</u>
	Direct Programs:			
839	Extended School Year	12.000	N/A	2,878
861	Gear-Up	84.334A	P334A080033	13,034
	Total U. S. Department of Education			<u>7,703,754</u>
	U. S. Department of Defense			
	Direct Program:			
270	Army ROTC	12.000	N/A	263,382
	Total U. S. Department of Defense			<u>263,382</u>
	U. S. Department of Health & Human Services			
	Direct Program:			
	Head Start Program Cluster (Major Program):			
813	Head Start	93.600	04-CH4740-01	1,344,807
825	Early Head Start	93.600	04-CH4608-11	131,305
827	Early Head Start	93.600	04-CH4758-01	623,557
	Total Head Start Program Cluster (Major Program)			<u>2,099,669</u>
806	Lancaster County School District - Now is the Time	93.243	1H79SM062022-01	21,476
812	Good Behavior Game Replication Game	93.243	10SM601292A	116,929
	Total U. S. Department of Health & Human Services			<u>2,238,074</u>
	U. S. Department of Justice			
	Direct Program:			
818	Supporting Teens Through Education & Protection Act of 2005	16.684	2011GW-AX-K005	61,677
	Total U. S. Department of Justice			<u>61,677</u>

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

LEA Subfund Code	Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
	U. S. Department of Labor			
	Pass-Through S.C. Department of Employment & Workforce:			
851	WIA Youth Activities - Jobs For SC Graduates	17.259	14JAG107	\$ 50,394
	Total Passed-Through S.C. Department of Employment & Workforce			<u>50,394</u>
	Direct Program:			
857	Youth Build	17.274	YB21730-11	<u>26,945</u>
	Total U. S. Department of Labor			<u>77,339</u>
	Total Federal Awards Expended			<u><u>\$ 14,460,328</u></u>

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lancaster County School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

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